

## STATE OF MINNESOTA

## EIGHTY-FIFTH SESSION — 2008

---

 ONE HUNDRED ELEVENTH DAY

SAINT PAUL, MINNESOTA, MONDAY, MAY 5, 2008

The House of Representatives convened at 11:00 a.m. and was called to order by Chris DeLaForest, Speaker pro tempore.

Prayer was offered by Deacon Martin JaQués, Our Lady of Guadalupe Church, St. Paul, Minnesota.

The members of the House gave the pledge of allegiance to the flag of the United States of America.

The roll was called and the following members were present:

Abeler	Dettmer	Hausman	Lesch	Olin	Simpson
Anderson, B.	Dill	Haws	Liebling	Olson	Slawik
Anderson, S.	Dittrich	Heidgerken	Lieder	Otremba	Slocum
Anzelc	Dominguez	Hilstrom	Lillie	Ozment	Smith
Atkins	Doty	Hilty	Loeffler	Paulsen	Solberg
Beard	Drazkowski	Holberg	Madore	Paymar	Swails
Benson	Eastlund	Hoppe	Magnus	Pelowski	Thao
Berns	Eken	Hortman	Mahoney	Peppin	Thissen
Bigham	Emmer	Hosch	Mariani	Peterson, A.	Tillberry
Bly	Erhardt	Howes	Marquart	Peterson, N.	Tingelstad
Brod	Erickson	Huntley	Masin	Peterson, S.	Tschumper
Brown	Faust	Jaros	McFarlane	Poppe	Urdahl
Brynaert	Finstad	Johnson	McNamara	Rukavina	Wagenius
Buesgens	Fritz	Juhnke	Moe	Ruth	Walker
Bunn	Gardner	Kahn	Morgan	Ruud	Ward
Carlson	Garofalo	Kalin	Morrow	Sailer	Wardlow
Clark	Gottwalt	Knuth	Mullery	Scalze	Welti
Cornish	Greiling	Koenen	Murphy, E.	Seifert	Westrom
Davnie	Gunther	Kohls	Murphy, M.	Sertich	Winkler
Dean	Hackbarth	Laine	Nelson	Severson	Wollschlager
DeLaForest	Hamilton	Lanning	Nornes	Shimanski	Zellers
Demmer	Hansen	Lenczewski	Norton	Simon	Spk. Kelliher

A quorum was present.

Kranz was excused.

Hornstein was excused until 8:20 p.m.

The Chief Clerk proceeded to read the Journal of the preceding day. Laine moved that further reading of the Journal be suspended and that the Journal be approved as corrected by the Chief Clerk. The motion prevailed.

**REPORTS OF CHIEF CLERK**

S. F. No. 1128 and H. F. No. 219, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

**SUSPENSION OF RULES**

Walker moved that the rules be so far suspended that S. F. No. 1128 be substituted for H. F. No. 219 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2468 and H. F. No. 2972, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

**SUSPENSION OF RULES**

Mahoney moved that the rules be so far suspended that S. F. No. 2468 be substituted for H. F. No. 2972 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2651 and H. F. No. 3280, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

**SUSPENSION OF RULES**

Dill moved that the rules be so far suspended that S. F. No. 2651 be substituted for H. F. No. 3280 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 3058 and H. F. No. 3725, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

**SUSPENSION OF RULES**

Madore moved that the rules be so far suspended that S. F. No. 3058 be substituted for H. F. No. 3725 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 3193 and H. F. No. 3371, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

**SUSPENSION OF RULES**

Tingelstad moved that the rules be so far suspended that S. F. No. 3193 be substituted for H. F. No. 3371 and that the House File be indefinitely postponed. The motion prevailed.

**PETITIONS AND COMMUNICATIONS**

The following communications were received:

STATE OF MINNESOTA  
OFFICE OF THE SECRETARY OF STATE  
ST. PAUL 55155

The Honorable Margaret Anderson Kelliher  
Speaker of the House of Representatives

The Honorable James P. Metzen  
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 2008 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

<i>S. F. No.</i>	<i>H. F. No.</i>	<i>Session Laws Chapter No.</i>	<i>Time and Date Approved 2008</i>	<i>Date Filed 2008</i>
2667		213	2:51 p.m. April 24	April 24
2765		214	2:59 p.m. April 24	April 24
2915		215	3:04 p.m. April 24	April 24
3082		216	3:06 p.m. April 24	April 24
2828		217	3:08 p.m. April 24	April 24
2399		218	3:13 p.m. April 24	April 24
3225		219	3:16 p.m. April 24	April 24
2024		220	3:17 p.m. April 24	April 24
3286		221	3:18 p.m. April 24	April 24
2377		222	3:19 p.m. April 24	April 24
3571		223	3:20 p.m. April 24	April 24
3647		224	3:21 p.m. April 24	April 24
2936		225	3:35 p.m. April 24	April 24
3021		226	3:26 p.m. April 24	April 24
2642		227	3:29 p.m. April 24	April 24
3263		228	3:32 p.m. April 24	April 24
3119		229	3:34 p.m. April 24	April 24
3227		230	3:36 p.m. April 24	April 24
3446		231	3:37 p.m. April 24	April 24

Sincerely,

MARK RITCHIE  
Secretary of State

STATE OF MINNESOTA  
OFFICE OF THE GOVERNOR  
SAINT PAUL 55155

April 25, 2008

The Honorable Margaret Anderson Kelliher  
Speaker of the House of Representatives  
The State of Minnesota

Dear Speaker Kelliher:

Please be advised that I have received, approved, signed, and deposited in the Office of the Secretary of State the following House Files:

H. F. No. 3500, relating to business organizations; proposing technical amendments to the Business Corporations Act, the Limited Liability Company Act, and the Uniform Limited Partnership Act of 2001; authorizing the formation of nonprofit limited liability companies.

H. F. No. 2896, relating to public buildings; removing a requirement that a city hold a referendum before building, equipping, or maintaining a memorial for war veterans.

H. F. No. 3516, relating to real property; providing specification of certain information about a premises subject to foreclosure; providing for electronic recording; requiring a report.

Sincerely,

TIM PAWLENTY  
Governor

STATE OF MINNESOTA  
OFFICE OF THE SECRETARY OF STATE  
ST. PAUL 55155

The Honorable Margaret Anderson Kelliher  
Speaker of the House of Representatives

The Honorable James P. Metzen  
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 2008 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

<i>S. F. No.</i>	<i>H. F. No.</i>	<i>Session Laws Chapter No.</i>	<i>Time and Date Approved 2008</i>	<i>Date Filed 2008</i>
2564		232	3:55 p.m. April 25	April 25
	3500	233	3:59 p.m. April 25	April 25
3049		234	3:56 p.m. April 25	April 25
3336		235	4:04 p.m. April 25	April 25
	2896	236	4:06 p.m. April 25	April 25
	3516	238	4:01 p.m. April 25	April 25
3214		240	3:58 p.m. April 25	April 25
3154		241	4:05 p.m. April 25	April 25
3342		242	4:14 p.m. April 25	April 25
2403		243	4:11 p.m. April 25	April 25

111TH DAY]

MONDAY, MAY 5, 2008

11247

1298  
2500

244  
249

4:16 p.m. April 25  
4:18 p.m. April 25

April 25  
April 25

Sincerely,

MARK RITCHIE  
Secretary of State

STATE OF MINNESOTA  
OFFICE OF THE GOVERNOR  
SAINT PAUL 55155

April 28, 2008

The Honorable Margaret Anderson Kelliher  
Speaker of the House of Representatives  
The State of Minnesota

Dear Speaker Kelliher:

Please be advised that I have received, approved, signed, and deposited in the Office of the Secretary of State the following House Files:

H. F. No. 3662, relating to local government; providing for a public hearing and public testimony before making an appointment to fill a vacancy on a county board; changing the time period in which an appointment may be made.

H. F. No. 2904, relating to state government operations; establishing procedures for state agencies to assist communities to recover from a natural disaster.

H. F. No. 3569, relating to workers' health; directing the University of Minnesota to study workers' health including lung health; appropriating money.

Sincerely,

TIM PAWLENTY  
Governor

STATE OF MINNESOTA  
OFFICE OF THE SECRETARY OF STATE  
ST. PAUL 55155

The Honorable Margaret Anderson Kelliher  
Speaker of the House of Representatives

The Honorable James P. Metzen  
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 2008 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

<i>S. F. No.</i>	<i>H. F. No.</i>	<i>Session Laws Chapter No.</i>	<i>Time and Date Approved 2008</i>	<i>Date Filed 2008</i>
3139		245	4:27 p.m. April 28	April 28
	3662	246	4:28 p.m. April 28	April 28
	2904	247	4:30 p.m. April 28	April 28
	3569	248	4:31 p.m. April 28	April 28

Sincerely,

MARK RITCHIE  
Secretary of State

STATE OF MINNESOTA  
OFFICE OF THE SECRETARY OF STATE  
ST. PAUL 55155

The Honorable Margaret Anderson Kelliher  
Speaker of the House of Representatives

The Honorable James P. Metzen  
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 2008 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

<i>S. F. No.</i>	<i>H. F. No.</i>	<i>Session Laws Chapter No.</i>	<i>Time and Date Approved 2008</i>	<i>Date Filed 2008</i>
3218		250	3:19 p.m. April 30	April 30
3069		251	3:20 p.m. April 30	April 30
2511		252	3:22 p.m. April 30	April 30

Sincerely,

MARK RITCHIE  
Secretary of State

**REPORTS OF STANDING COMMITTEES AND DIVISIONS**

Hilstrom from the Committee on Local Government and Metropolitan Affairs to which was referred:

H. F. No. 4015, A bill for an act relating to metropolitan government; directing the Metropolitan Airports Commission to enforce certain covenants.

Reported the same back with the following amendments:

Page 1, delete line 11 and insert "forfeiture of future rent reductions that had been previously agreed to, pursuant to the terms of the covenants."

Page 1, line 12, delete "Airport" and insert "Airports"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Rules and Legislative Administration.

The report was adopted.

Hilstrom from the Committee on Local Government and Metropolitan Affairs to which was referred:

H. F. No. 4207, A bill for an act relating to certain state contracts; requiring full enforcement of certain agreements between the state and an airline company.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Rules and Legislative Administration.

The report was adopted.

Hilstrom from the Committee on Local Government and Metropolitan Affairs to which was referred:

H. F. No. 4223, A bill for an act relating to local government; authorizing alternative transfer procedure in Hennepin County for certain drainage system management; proposing coding for new law in Minnesota Statutes, chapter 383B.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. **[157.175] DOGS; OUTDOOR FOOD AND BEVERAGE SERVICE ESTABLISHMENTS.**

A municipality as defined under section 414.011, subdivision 2, may adopt an ordinance to permit dogs to accompany persons patronizing outdoor areas of food and beverage service establishments.

**EFFECTIVE DATE.** This section is effective the day following final enactment.

Sec. 2. **[216C.42] BUSINESS ENERGY USE ACCOUNTABILITY.**

Subdivision 1. **Citation.** This section may be cited as the Business Energy Accountability Act of 2008.

Subd. 2. **Definition.** For the purpose of this section, "municipality" means a statutory or home rule charter city or town, or county for unincorporated areas of a county.

Subd. 3. **Energy accountability form.** The commissioner of commerce shall create an energy inventory form for use by a municipality for purposes of subdivision 4. The form must be designed so a business can enter information concerning the following energy uses for the business:

(1) total gross electric use per year;

(2) electric supplier;

(3) total gross natural gas use per year;

- (4) natural gas supplier;
- (5) heating type;
- (6) air conditioning type and use per year;
- (7) business-owned motor vehicles;
- (8) miles traveled by business-owned motor vehicles;
- (9) chemicals used, including oils and cleaners;
- (10) water use per year; and
- (11) industrial sewage discharge.

The annual total gross use information required by clauses (1) and (3) must not require itemization by a business of each end use of electricity and natural gas.

The form must be designed, to the extent possible, so that its use by a municipality may qualify for federal grants available for the purpose of creating a greenhouse gas emission inventory.

Subd. 4. **Municipal inventory.** A municipality must make available to businesses located within the municipality the inventory form prescribed by subdivision 3. The business is not required to complete the inventory but may elect to do so and provide the completed inventory to the municipality. The municipality shall make the inventory available to the public by electronic or other means in a format that allows for convenient finding of an inventory for a particular business whether by alphabetically ordering the inventories by business or in some other convenient fashion.

Sec. 3. Minnesota Statutes 2006, section 365A.095, is amended to read:

**365A.095 PETITION FOR REMOVAL OF DISTRICT; PROCEDURE; REFUND OF SURPLUS.**

Subdivision 1. **Petition; procedure.** A petition signed by at least 75 percent of the property owners in the territory of the subordinate service district requesting the removal of the district may be presented to the town board. Within 30 days after the town board receives the petition, the town clerk shall determine the validity of the signatures on the petition. If the requisite number of signatures are certified as valid, the town board must hold a public hearing on the petitioned matter. Within 30 days after the end of the hearing, the town board must decide whether to discontinue the subordinate service district, continue as it is, or take some other action with respect to it.

Subd. 2. **Option to refund surplus.** If the district is removed under subdivision 1, after all outstanding obligations of the district have been paid in full, the town board may vote to refund any surplus tax revenue or service charge, or any part of it, collected from the district under section 365A.08. The refund must be distributed equally to the owners of any property within the discontinued district that were charged the extra tax or service fee during the most recent tax year for which the tax or service fee was imposed. Any surplus not refunded under this section must be transferred to the town's general fund.

**EFFECTIVE DATE.** This section is effective the day following final enactment.

Sec. 4. **[383B.61] TRANSFER OF DRAINAGE SYSTEMS.**

Subdivision 1. **Applicability; definition.** (a) This section applies to transfers of management jurisdiction for the drainage systems listed in paragraph (b) from Hennepin County to a water management authority, as defined under section 103E.005, subdivision 29. The transfer procedure described in this section is an alternative to the procedure prescribed in section 103E.812. Section 103E.812 does not apply to transfers under this section, except as specified in this section.

(b) This section applies to transfer of the following drainage systems: Hennepin County Ditches 3, 6, 7, 9, 11, 12, 13, 16, 18, 19, 21, 22, 25, 26, 30, J-6, and J-20.

(c) For purposes of this section, "board" means the Hennepin County Board of Commissioners.

Subd. 2. **Transfer procedure.** (a) A water management authority may petition for transfer if the drainage system or portion of the drainage system proposed to be transferred lies within the jurisdictional boundaries of the water management authority. The petition must be in a form prescribed by the board and must provide that the transferred drainage system be managed according to a plan adopted under sections 103B.205 to 103B.255.

(b) Upon receipt of a petition under paragraph (a), the board shall set a date and location for public hearing and shall publish notice of the hearing in newspapers with general circulation in the affected areas at least 30 days prior to the hearing. The notice shall include a statement that property owners have a right to object to the transfer at the hearing.

(c) The hearing shall be conducted according to procedures established by the board. Transfer shall be completed upon approval of the board.

(d) Costs of the transfer proceedings shall be attributable according to section 103E.812, subdivision 6.

Subd. 3. **Effect of transfer.** The transfer of a drainage system under this section is not a compromise of any property right held by an owner of assessed property on the transferred drainage system and the rights of the property owners are as provided in section 103E.812, subdivision 7. Transfer of a drainage system under this section has the effect given under section 103E.812, subdivision 8.

Sec. 5. Minnesota Statutes 2006, section 394.26, is amended to read:

### **394.26 PUBLIC HEARINGS.**

Subd. 1a. **When required.** In addition to public hearings required by section 375.51 prior to the adoption by ordinance of any comprehensive plan or amendments thereto or of any official control or amendment thereto, public hearings shall be held before any conditional use permit, interim use permit, ~~any~~ variance, ~~and any~~ or proposal for a subdivision is approved or denied by the responsible authority, and in circumstances where a public hearing is otherwise required by sections 394.21 to 394.37. Such public hearings may be continued from time to time and additional hearings may be held.

Subd. 2. **Notice.** Notice of the time, place, and purpose of any public hearing shall be given by publication in a newspaper of general circulation in the town, municipality, or other area concerned, and in the official newspaper of the county, at least ten days before the hearing, except that notice of public hearings in connection with the adoption by ordinance of any comprehensive plan or amendments thereto or adoption or amendment of any official controls shall be given in the manner provided by section 375.51, subdivision 2. In addition to the requirements of section 375.51, subdivision 2, written notice of public hearings on all official controls and amendments thereto shall be sent to the governing bodies of all towns and all municipalities located within the county. Written notice of public hearings regarding the application of official controls to specific properties, including but not limited to conditional uses, variances, interim uses, zoning regulations, and subdivision regulations, shall be sent to all property owners of record within 500 feet of the affected property in incorporated areas. In unincorporated areas, the written notice shall be sent to property owners as follows:

(a) in the case of variances, to owners of record within 500 feet of the affected property;

(b) in the case of conditional uses and interim uses, to owners of record within one-quarter mile of the affected property or to the ten properties nearest to the affected property, whichever would provide notice to the greatest number of owners;

(c) in the case of all other official controls, including but not limited to zoning regulations and subdivision regulations, to owners of record within one-half mile of the affected property.

Written notice shall also be given to the affected board of town supervisors, and the municipal council of any municipality within two miles of the affected property.

Subd. 3a. **Who runs hearing.** The board may assign responsibility to conduct public hearings for one or more purposes to the planning commission, board of adjustment or any official or employee of the county, except as provided in section 375.51.

**EFFECTIVE DATE.** This section is effective the day following final enactment.

Sec. 6. **[394.303] INTERIM USES.**

Subdivision 1. **Definition.** An "interim use" is a temporary use of property until a particular date, until the occurrence of a particular event, or until zoning regulations no longer permit it.

Subd. 2. **Authority.** Zoning regulations may permit the governing body to allow interim uses. The regulations may set conditions on interim uses. The governing body may grant permission for an interim use of property if:

(1) the use conforms to the zoning regulations;

(2) the date or event that will terminate the use can be identified with certainty;

(3) permission of the use will not impose additional costs on the public if it is necessary for the public to take the property in the future; and

(4) the user agrees to any conditions that the governing body deems appropriate for permission of the use.

Any interim use may be terminated by a change in zoning regulations.

Subd. 3. **Public hearings.** Public hearings on the granting of interim use permits shall be held in the manner provided in section 394.26.

**EFFECTIVE DATE.** This section is effective the day following final enactment.

Sec. 7. Minnesota Statutes 2006, section 410.05, subdivision 5, is amended to read:

Subd. 5. **Discharge.** (a) A charter commission in a statutory city may be discharged as follows:

(1) if the charter commission of a statutory city determines that a charter is not necessary or desirable, the commission may be discharged by a vote of three-fourths of its members; or

(2) if a petition signed by registered voters equal in number to at least five percent of the registered voters in the city requesting a referendum to discharge the charter commission is filed with the city clerk, an election must be held on the issue at a general election or a special election pursuant to section 205.10. If a majority of the votes cast support the referendum, the charter commission shall be discharged.

(b) Another commission may not be formed sooner than one year from the date of discharge.

Sec. 8. Minnesota Statutes 2006, section 410.12, subdivision 7, is amended to read:

Subd. 7. **Amendment by ordinance.** Upon recommendation of the charter commission the city council may enact a charter amendment by ordinance. Within one month of receiving a recommendation to amend the charter by ordinance, the city must publish notice of a public hearing on the proposal and the notice must contain the text of the proposed amendment. The city council must hold the public hearing on the proposed charter amendment at least two weeks but not more than one month after the notice is published. Within one month of the public hearing, the city council must vote on the proposed charter amendment ordinance. The ordinance is enacted if it receives an

affirmative vote of all members of the city council and is approved by the mayor and published as in the case of other ordinances. An ordinance amending a city charter shall not become effective until 90 days after passage and publication or at such later date as is fixed in the ordinance. Within 60 days after passage and publication of such an ordinance, a petition requesting a referendum on the ordinance may be filed with the city clerk. ~~Such~~ The petition ~~shall must~~ be signed by ~~qualified registered~~ voters equal in number to ~~two percent of the total number of votes cast in the city at the last state general election~~ at least five percent of the registered voters in the city or 2,000, whichever is less. ~~If the city has a system of permanent registration of voters, only registered voters are eligible to sign the petition.~~ If the requisite petition is filed within the prescribed period, the ordinance shall not become effective until it is approved by the voters as in the case of charter amendments submitted by the charter commission, the council, or by petition of the voters, except that the council may submit the ordinance at any general or special election held at least 60 days after submission of the petition, or it may reconsider its action in adopting the ordinance. As far as practicable the requirements of subdivisions 1 to 3 apply to petitions submitted under this section, to an ordinance amending a charter, and to the filing of such ordinance when approved by the voters.

Sec. 9. Minnesota Statutes 2006, section 444.075, subdivision 3, is amended to read:

Subd. 3. **Charges; net revenues.** (a) To pay for the construction, reconstruction, repair, enlargement, improvement, or other obtainment, the maintenance, operation and use of the facilities, and of obtaining and complying with permits required by law, the governing body of a municipality or county may impose just and equitable charges for the use and for the availability of the facilities and for connections with them and make contracts for the charges as provided in this section. The charges may be imposed with respect to facilities made available by agreement with other municipalities, counties or private corporations or individuals, as well as those owned and operated by the municipality or county itself.

(b) Notwithstanding local charter restrictions, charges made for service rendered shall be as nearly as possible proportionate to the cost of furnishing the service.

Sec. 10. Minnesota Statutes 2006, section 508.82, subdivision 1, is amended to read:

Subdivision 1. **Standard documents.** The fees to be charged by the registrar of titles shall be and not exceed the following:

(1) of the fees provided herein, \$1.50 of the fees collected under clauses (2), (3), (4), (11), (13), (15), (17), and (18) for filing or memorializing shall be paid to the state treasury pursuant to section 508.75 and credited to the general fund;

(2) for registering a first certificate of title, including issuing a copy of it, \$46. Pursuant to clause (1), distribution of this fee is as follows:

(i) \$10.50 shall be paid to the state treasury and credited to the general fund;

(ii) \$10 shall be deposited in the technology fund pursuant to section 357.18, subdivision 3; and

(iii) \$25.50 shall be deposited in the county general fund;

(3) for registering each instrument transferring the fee simple title for which a new certificate of title is issued and for the registration of the new certificate of title, including a copy of it, \$46. Pursuant to clause (1), distribution of this fee is as follows:

(i) \$12 shall be paid to the state treasury and credited to the general fund;

(ii) \$10 shall be deposited in the technology fund pursuant to section 357.18, subdivision 3; and

(iii) \$24 shall be deposited in the county general fund;

(4) for the entry of each memorial on a certificate, \$46. For multiple certificate entries, \$20 thereafter. Pursuant to clause (1), distribution of this fee is as follows:

- (i) \$12 shall be paid to the state treasury and credited to the general fund;
- (ii) \$10 shall be deposited in the technology fund pursuant to section 357.18, subdivision 3;
- (iii) \$24 shall be deposited in the county general fund; and
- (iv) \$20 shall be deposited in the county general fund for each multiple entry used;
- (5) for issuing each residue certificate and each additional new certificate, \$40;
- (6) for exchange certificates, \$20 for each certificate canceled and \$20 for each new certificate issued;
- (7) for each certificate showing condition of the register, \$50;
- (8) for any certified copy of any instrument or writing on file or recorded in the registrar of titles' office, \$10;

(9) for a noncertified copy of any certificate of title, other than the copies issued under clauses (2) and (3), any instrument or writing on file or recorded in the office of the registrar of titles, or any specified page or part of it, an amount as determined by the county board for each page or fraction of a page specified. If computer or microfilm printers are used to reproduce the instrument or writing, a like amount per image;

(10) for a noncertified copy of any document submitted for recording, if the original document is accompanied by a copy or duplicate original, \$2. Upon receipt of the copy or duplicate original and payment of the fee, a registrar of titles shall return it marked "copy" or "duplicate," showing the recording date and, if available, the document number assigned to the original;

(11) for filing two copies of any plat, other than a CIC plat complying with section 515B.2-110, paragraph (c), in the office of the registrar, \$56. Pursuant to clause (1), distribution of this fee is as follows:

- (i) \$12 shall be paid to the state treasury and credited to the general fund;
  - (ii) \$10 shall be deposited in the technology fund pursuant to section 357.18, subdivision 3; and
  - (iii) \$34 shall be deposited in the county general fund;
- (12) for any other service under this chapter, such fee as the court shall determine;

(13) for filing an amendment to a declaration in accordance with chapter 515, \$46 for each certificate upon which the document is registered and for multiple certificate entries, \$20 thereafter; \$56 for an amended floor plan filed in accordance with chapter 515, for filing any document affecting two or more units in a condominium governed by chapter 515, \$46 for the first certificate upon which the document is registered, and for multiple certificate entries, \$20 for each additional certificate upon which the document is registered. For purposes of this paragraph, an amendment to the declaration of a condominium governed by chapter 515 and a related amendment to the condominium floor plans shall be considered a single document, and the filing fee shall be \$56 for the first certificate upon which the document is registered, and for multiple certificate entries, \$20 for each additional certificate upon which the document is registered. Pursuant to clause (1), distribution of this fee is as follows:

- (i) \$12 shall be paid to the state treasury and credited to the general fund;
  - (ii) \$10 shall be deposited in the technology fund pursuant to section 357.18, subdivision 3;
  - (iii) \$24 shall be deposited in the county general fund for amendment to a declaration;
  - (iv) \$20 shall be deposited in the county general fund for each multiple entry used; and
  - (v) \$34 shall be deposited in the county general fund for an amended floor plan;
- (14) for issuance of a CECT pursuant to section 508.351, \$40;

~~(15) for filing an amendment to a common interest community declaration, including a supplemental declaration, and plat or amendment complying with section 515B.2-110, subsection (c), \$46 for the first certificate upon which the document is registered and for multiple certificate entries, \$20 thereafter and \$56 for the filing of the condominium or common interest community plat or amendment. See section 515B.1-116 for special requirement relating to a common interest community. for filing a common interest community declaration and a CIC plat complying with section 515B.2-110, paragraph (c); an amendment to a common interest community declaration and a related amendment to a CIC plat complying with section 515B.2-110, paragraph (c); or a supplemental declaration and a related supplemental CIC plat complying with section 515B.2-110, paragraph (c), each of which related documents shall be considered a single document, the filing fee shall be \$56 for the first certificate upon which the document is registered, and for multiple certificate entries, \$20 for each additional certificate upon which the document is registered. For filing any other document affecting two or more units in a common interest community, the filing fee shall be \$46 for the first certificate upon which the document is registered, and for multiple certificate entries, \$20 for each additional certificate upon which the document is registered. The same fees shall apply to filing any document affecting two or more units or other parcels subject to a master declaration. Pursuant to clause (1), distribution of this fee is as follows:~~

(i) \$12 shall be paid to the state treasury and credited to the general fund;

(ii) \$10 shall be deposited in the technology fund pursuant to section 357.18, subdivision 3;

(iii) \$24 shall be deposited in the county general fund for the filing of an amendment complying with section 515B.2-110, subsection (c);

(iv) \$20 shall be deposited in the county general fund for each multiple entry used; and

(v) \$34 shall be deposited in the county general fund for the filing of a condominium or CIC plat or amendment;

(16) for a copy of a condominium floor plan filed in accordance with chapter 515, or a copy of a common interest community plat complying with section 515B.2-110, subsection (c), the fee shall be \$1 for each page of the floor plan or common interest community plat with a minimum fee of \$10;

(17) for the filing of a certified copy of a plat of the survey pursuant to section 508.23 or 508.671, \$46. Pursuant to clause (1), distribution of this fee is as follows:

(i) \$12 shall be paid to the state treasury and credited to the general fund;

(ii) \$10 shall be deposited in the technology fund pursuant to section 357.18, subdivision 3; and

(iii) \$24 shall be deposited in the county general fund;

(18) for filing a registered land survey in triplicate in accordance with section 508.47, subdivision 4, \$56. Pursuant to clause (1), distribution of this fee is as follows:

(i) \$12 shall be paid to the state treasury and credited to the general fund;

(ii) \$10 shall be deposited in the technology fund pursuant to section 357.18, subdivision 3; and

(iii) \$34 shall be deposited in the county general fund; and

(19) for furnishing a certified copy of a registered land survey in accordance with section 508.47, subdivision 4, \$15.

Sec. 11. Minnesota Statutes 2006, section 515B.1-116, is amended to read:

**515B.1-116 RECORDING.**

(a) A declaration, bylaws, any amendment to a declaration or bylaws, and any other instrument affecting a common interest community shall be entitled to be recorded. In those counties which have a tract index, the county recorder shall enter the declaration in the tract index for each unit or other tract affected. The county recorder shall not enter the declaration in the tract index for lands described as additional real estate, unless such lands are added to the common interest community pursuant to section 515B.2-111. The registrar of titles shall file the declaration in accordance with section 508.351 or 508A.351. The registrar of titles shall not file the declaration upon certificates of title for lands described as additional real estate, unless such lands are added to the common interest community pursuant to section 515B.2-111.

(b) The recording officer shall upon request promptly assign a number (CIC number) to a common interest community to be formed or to a common interest community resulting from the merger of two or more common interest communities.

(c) Documents recorded pursuant to this chapter shall in the case of registered land be filed, and references to the recording of documents shall mean filed in the case of registered land.

(d) Subject to any specific requirements of this chapter, if a recorded document relating to a common interest community or a master association purports to require a certain vote or signatures approving any restatement or amendment of the document by a certain number or percentage of unit owners or secured parties, and if the amendment or restatement is to be recorded, an affidavit of the president or secretary of the association stating that the required vote or signatures have been obtained shall be attached to the document to be recorded and shall constitute prima facie evidence of the representations contained therein.

~~(e) If a common interest community is located on registered land, the recording fee for any document affecting two or more units shall be \$46 for the first ten affected certificates and \$10 for each additional affected certificate. This provision shall not apply to recording fees for deeds of conveyance, with the exception of deeds given pursuant to sections 515B.2-119 and 515B.3-112. The same fees shall apply to recording any document affecting two or more units or other parcels of real estate subject to a master declaration.~~

~~(e)~~ (e) Except as permitted under this subsection, a recording officer shall not file or record a declaration creating a new common interest community, unless the county treasurer has certified that the property taxes payable in the current year for the real estate included in the proposed common interest community have been paid. This certification is in addition to the certification for delinquent taxes required by section 272.12. In the case of preexisting common interest communities, the recording officer shall accept, file, and record the following instruments, without requiring a certification as to the current or delinquent taxes on any of the units in the common interest community: (i) a declaration subjecting the common interest community to this chapter; (ii) a declaration changing the form of a common interest community pursuant to section 515B.2-123; or (iii) an amendment to or restatement of the declaration, bylaws, or CIC plat. In order for an instrument to be accepted and recorded under the preceding sentence, the instrument must not create or change unit or common area boundaries.

Sec. 12. Laws 2006, chapter 269, section 2, is amended to read:

## Sec. 2. DEDICATION FEE.

The Minneapolis Park and Recreation Board and the Minneapolis City Council may jointly exercise the powers conferred under Minnesota Statutes, section 462.358, with respect to requiring that a reasonable portion of land be dedicated to the public or imposing a dedication fee on new housing units and new commercial and industrial development in the city, wherever located, for public parks, playgrounds, recreational facilities, wetlands, trails, or open space. The dedication of land or dedication fee must be imposed by an ordinance jointly enacted by the park board and the city council. The ordinance may exclude senior housing and affordable housing from paying the fee or the dedication of land. The provisions of Minnesota Statutes, section 462.358, subdivisions 2b, paragraph (b), and 2c, apply to the imposition, application, and use of the dedication of land or the dedication fee.

**EFFECTIVE DATE.** This section is effective upon compliance by the Minneapolis Park and Recreation Board and the Minneapolis City Council with Minnesota Statutes, section 645.021.

Delete the title and insert:

"A bill for an act relating to local government; providing for municipal regulation of dogs in outdoor eating areas; establishing the Business Energy Accountability Act; modifying subordinate service district provisions; providing for transfer of certain drainage systems; providing for interim uses in zoning; modifying charter commission provisions; modifying title registrars' fees; modifying Minnesota Common Interest Ownership Act; modifying Minneapolis dedication fee provisions; amending Minnesota Statutes 2006, sections 365A.095; 394.26; 410.05, subdivision 5; 410.12, subdivision 7; 444.075, subdivision 3; 508.82, subdivision 1; 515B.1-116; Laws 2006, chapter 269, section 2; proposing coding for new law in Minnesota Statutes, chapters 157; 216C; 383B; 394."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Rules and Legislative Administration.

The report was adopted.

## **SECOND READING OF SENATE BILLS**

S. F. Nos. 1128, 2468, 2651, 3058 and 3193 were read for the second time.

## **INTRODUCTION AND FIRST READING OF HOUSE BILLS**

The following House File was introduced:

Slawik introduced:

H. F. No. 4230, A bill for an act relating to health; establishing a task force to study and make recommendations on violence against mental health care workers.

The bill was read for the first time and referred to the Committee on Health and Human Services.

The Speaker assumed the Chair.

## **MESSAGES FROM THE SENATE**

The following messages were received from the Senate:

Madam Speaker:

I hereby announce that the Senate accedes to the request of the House for the appointment of a Conference Committee on the amendments adopted by the Senate to the following House File:

H. F. No. 2996, A bill for an act relating to public safety; allowing persons facing civil commitment as sexually dangerous persons or sexual psychopathic personalities to choose to be confined in correctional facilities while the petition is being adjudicated; addressing the cost of care for persons facing civil commitment; addressing access to

certain data; modifying intensive supervised release provisions; modifying fireworks provisions; modifying registration requirements for predatory offenders; establishing a working group to review, assess, and make recommendations regarding the modification and application of controlled substance laws; providing for a report; requiring studies; amending Minnesota Statutes 2006, sections 13.851, by adding a subdivision; 243.166, subdivisions 1a, 3a, 4; 243.167, subdivision 2; 244.05, subdivision 6; 253B.045, subdivisions 1, 2, by adding a subdivision; 253B.185, subdivision 5; 299C.41, as added if enacted; 609.115, by adding a subdivision; 624.20, subdivision 1; 641.05; Minnesota Statutes 2007 Supplement, section 253B.185, subdivision 1b.

The Senate has appointed as such committee:

Senators Higgins, Moua and Ingebriigtsen.

Said House File is herewith returned to the House.

COLLEEN J. PACHECO, Second Assistant Secretary of the Senate

Madam Speaker:

I hereby announce that the Senate accedes to the request of the House for the appointment of a Conference Committee on the amendments adopted by the Senate to the following House File:

H. F. No. 3195, A bill for an act relating to environment; establishing an intent to participate in a cap and trade program for greenhouse gas emissions; requiring studies; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 216H.

The Senate has appointed as such committee:

Senators Anderson, Kubly and Frederickson.

Said House File is herewith returned to the House.

COLLEEN J. PACHECO, Second Assistant Secretary of the Senate

Madam Speaker:

I hereby announce that the Senate accedes to the request of the House for the appointment of a Conference Committee on the amendments adopted by the Senate to the following House File:

H. F. No. 3346, A bill for an act relating to housing; providing assistance to prevent mortgage foreclosure; increasing the maximum amount of financial assistance; amending Minnesota Statutes 2006, section 462A.209, subdivision 7.

The Senate has appointed as such committee:

Senators Higgins, Dahle and Koch.

Said House File is herewith returned to the House.

COLLEEN J. PACHECO, Second Assistant Secretary of the Senate

Madam Speaker:

I hereby announce that the Senate accedes to the request of the House for the appointment of a Conference Committee on the amendments adopted by the Senate to the following House File:

H. F. No. 3800, A bill for an act relating to transportation; modifying or adding provisions relating to highways, motor vehicles, traffic regulations, drivers' licenses and records, transit, railroads, motor carriers, and other transportation-related programs or activities; imposing penalties; requiring reports; making technical and clarifying corrections; amending Minnesota Statutes 2006, sections 86B.825, subdivision 5; 123B.88, subdivision 3; 161.081, subdivision 3, as amended, by adding subdivisions; 168.011, subdivision 7; 168.012, subdivision 1; 168.021, subdivisions 1, 2; 168.09, subdivision 7; 168.185; 168A.03, subdivision 1; 168A.05, subdivision 9; 168B.051, subdivision 2; 168B.06, subdivisions 1, 3; 168B.07, by adding subdivisions; 168B.08, subdivision 1; 168B.087, subdivision 1; 169.01, subdivisions 55, 76, by adding subdivisions; 169.18, subdivisions 1, 5, by adding a subdivision; 169.224; 169.67, subdivision 3; 169.781, subdivisions 1, 2, 5; 169.79; 169.801; 169.82, subdivision 3; 169.826, subdivision 1a; 169.85, subdivision 1; 169.86, by adding a subdivision; 169A.03, subdivision 23; 171.01, subdivisions 35, 46; 171.02, by adding a subdivision; 171.03; 171.055, subdivisions 1, 2; 171.0701; 171.12, subdivision 6; 171.13, by adding a subdivision; 171.165, subdivision 2; 171.321, subdivision 1; 174.02, subdivision 2; 174.03, subdivision 1; 174.24, by adding a subdivision; 221.011, by adding a subdivision; 221.031, subdivision 1; 221.036, subdivisions 1, 3; 221.121, subdivisions 1, 6a; 221.151, subdivision 1; 299D.03, subdivision 1; 299D.06; 473.1465, by adding a subdivision; 473.388, subdivision 2; 473.399, by adding a subdivision; Minnesota Statutes 2007 Supplement, sections 168.017, subdivision 3; 169.443, subdivision 9; 171.02, subdivision 2; Laws 2002, chapter 393, section 85; Laws 2008, chapter 152, article 2, sections 1, 3, subdivision 2; article 3, sections 6, 8; article 6, section 7; proposing coding for new law in Minnesota Statutes, chapters 123B; 169; 171; 174; 219; repealing Minnesota Statutes 2006, sections 168B.087, subdivision 2; 169.145; 221.121, subdivision 4.

The Senate has appointed as such committee:

Senators Murphy, Dibble, Sieben, Jungbauer and Olseen.

Said House File is herewith returned to the House.

COLLEEN J. PACHECO, Second Assistant Secretary of the Senate

Madam Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendments the concurrence of the House is respectfully requested:

H. F. No. 3494, A bill for an act relating to employment; providing up to three hours of paid leave in any 12-month period for state employees to donate blood; authorizing employers to provide leave to employees to donate blood; proposing coding for new law in Minnesota Statutes, chapters 43A; 181.

COLLEEN J. PACHECO, Second Assistant Secretary of the Senate

Pelowski moved that the House refuse to concur in the Senate amendments to H. F. No. 3494, that the Speaker appoint a Conference Committee of 5 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

Madam Speaker:

I hereby announce that the Senate refuses to concur in the House amendments to the following Senate File:

S. F. No. 875, A bill for an act relating to employment; increasing and indexing the minimum wage; eliminating the training wage; requiring notice to new employees; amending Minnesota Statutes 2006, section 177.24, subdivision 1, by adding a subdivision.

The Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee:

Senators Anderson, Clark and Tomassoni.

Said Senate File is herewith transmitted to the House with the request that the House appoint a like committee.

COLLEEN J. PACHECO, Second Assistant Secretary of the Senate

Rukavina moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 3 members of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two houses on S. F. No. 875. The motion prevailed.

Madam Speaker:

I hereby announce that the Senate refuses to concur in the House amendments to the following Senate File:

S. F. No. 3669, A bill for an act relating to transportation; requiring report on mitigating effects of transportation construction projects on small businesses.

The Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee:

Senators Torres Ray, Moua and Jungbauer.

Said Senate File is herewith transmitted to the House with the request that the House appoint a like committee.

COLLEEN J. PACHECO, Second Assistant Secretary of the Senate

Madore moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 3 members of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two houses on S. F. No. 3669. The motion prevailed.

Madam Speaker:

I hereby announce that the Senate refuses to concur in the House amendments to the following Senate File:

S. F. No. 3360, A bill for an act relating to animals; prohibiting the possession of certain items related to animal fighting; imposing criminal penalties; amending Minnesota Statutes 2006, section 343.31, subdivision 1.

The Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee:

Senators Foley, Moua and Ingebrigtsen.

Said Senate File is herewith transmitted to the House with the request that the House appoint a like committee.

COLLEEN J. PACHECO, Second Assistant Secretary of the Senate

Mullery moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 3 members of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two houses on S. F. No. 3360. The motion prevailed.

Madam Speaker:

I hereby announce that the Senate refuses to concur in the House amendments to the following Senate File:

S. F. No. 651, A bill for an act relating to the environment; restricting the manufacture and sale of certain polybrominated diphenyl ethers; requiring a report; providing penalties; amending Minnesota Statutes 2007 Supplement, sections 325E.386; 325E.387, by adding a subdivision.

The Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee:

Senators Marty, Pappas, Carlson, Torres Ray and Fischbach.

Said Senate File is herewith transmitted to the House with the request that the House appoint a like committee.

COLLEEN J. PACHECO, Second Assistant Secretary of the Senate

Clark moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 5 members of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two houses on S. F. No. 651. The motion prevailed.

Sertich moved that the House recess subject to the call of the Chair. The motion prevailed.

RECESS

RECONVENED

The House reconvened and was called to order by the Speaker.

The following Conference Committee Report was received:

## CONFERENCE COMMITTEE REPORT ON H. F. NO. 2553

A bill for an act relating to state government; creating a catastrophe survivor compensation fund; appropriating money; amending Minnesota Statutes 2006, section 13.635, by adding a subdivision; proposing coding for new law as Minnesota Statutes, chapter 8A.

May 5, 2008

The Honorable Margaret Anderson Kelliher  
Speaker of the House of Representatives

The Honorable James P. Metzen  
President of the Senate

We, the undersigned conferees for H. F. No. 2553 report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H. F. No. 2553 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2006, section 3.736, subdivision 4, is amended to read:

Subd. 4. **Limits.** The total liability of the state and its employees acting within the scope of their employment on any tort claim shall not exceed:

(a) \$300,000 when the claim is one for death by wrongful act or omission and \$300,000 to any claimant in any other case, for claims arising before ~~January~~ August 1, 2008 2007;

(b) \$400,000 when the claim is one for death by wrongful act or omission and \$400,000 to any claimant in any other case, for claims arising on or after ~~January~~ August 1, 2008 2007, and before July 1, 2009;

(c) \$500,000 when the claim is one for death by wrongful act or omission and \$500,000 to any claimant in any other case, for claims arising on or after July 1, 2009;

(d) \$750,000 for any number of claims arising out of a single occurrence, for claims arising on or after January 1, 1998, and before January 1, 2000;

(e) \$1,000,000 for any number of claims arising out of a single occurrence, for claims arising on or after January 1, 2000, and before January 1, 2008;

(f) \$1,200,000 for any number of claims arising out of a single occurrence, for claims arising on or after January 1, 2008, and before July 1, 2009; or

(g) \$1,500,000 for any number of claims arising out of a single occurrence, for claims arising on or after July 1, 2009.

If the amount awarded to or settled upon multiple claimants exceeds the applicable limit under clause (d), (e), (f), or (g), any party may apply to the district court to apportion to each claimant a proper share of the amount available under the applicable limit under clause (d), (e), (f), or (g). The share apportioned to each claimant shall be in the proportion that the ratio of the award or settlement bears to the aggregate awards and settlements for all claims arising out of the occurrence.

The limitation imposed by this subdivision on individual claimants includes damages claimed for loss of services or loss of support arising out of the same tort.

**EFFECTIVE DATE.** This section is effective retroactively from August 1, 2007.

Sec. 2. **[3.7391] PURPOSE.**

Subdivision 1. **Findings; I-35W bridge.** The legislature finds that the collapse of the Interstate Highway 35W bridge over the Mississippi River in Minneapolis on August 1, 2007, was a catastrophe of historic proportions. The bridge was the third-busiest in the state, carrying over 140,000 cars per day. Its collapse killed 13 people and injured more than 100. No other structure owned by this state has ever fallen with such devastating physical and psychological impact on so many.

Subd. 2. **Compensation process.** The establishment of a compensation process under sections 3.7391 to 3.7394 for survivors of the catastrophe furthers the public interest by providing a remedy for survivors while avoiding the uncertainty and expense of potentially complex and protracted litigation to resolve the issue of the liability of the state, a municipality, or their employees for damages incurred by survivors.

Subd. 3. **Not an admission of liability.** These findings are not an admission of liability of the state, a municipality, or their employees for damages caused by the catastrophe.

Sec. 3. **[3.7392] DEFINITIONS.**

Subdivision 1. **Application.** The definitions in this section apply to sections 3.7391 to 3.7394.

Subd. 2. **Catastrophe.** "Catastrophe" means the collapse of the I-35W bridge over the Mississippi River in Minneapolis on August 1, 2007.

Subd. 3. **Damages.** "Damages" means damages that are compensable under state tort law and damages for wrongful death that are compensable under section 573.02. Damages do not include punitive damages or attorney fees or other fees incurred by a survivor in making a claim under this section or other law.

Subd. 4. **Emergency relief fund.** "Emergency relief fund" means the I-35W bridge emergency relief fund created by the state on November 30, 2007.

Subd. 5. **Municipality.** "Municipality" has the meaning given in section 466.01.

Subd. 6. **Panel.** "Panel" means the special master panel created under section 3.7393.

Subd. 7. **State.** "State" has the meaning given in section 3.732.

Subd. 8. **Survivor.** "Survivor" means a natural person who was present on the I-35W bridge at the time of the collapse. Survivor also includes:

(1) the parent or legal guardian of a survivor who is under 18 years of age;

(2) a legally appointed representative of a survivor; or

(3) the surviving spouse or next of kin of a deceased survivor who would be entitled to bring an action under section 573.02.

Sec. 4. **[3.7393] CONSIDERATION AND PAYMENT OF CLAIMS.**

Subdivision 1. **Special master panel.** The chief justice of the Supreme Court shall establish a special master panel to consider claims, make offers of settlement, and enter into settlement agreements with survivors on behalf of the state. The panel must be established by June 30, 2008. The panel must consist of three attorneys. Members of the panel must have experience in legal issues involving the settlement of tort claims and the determination of damages. The chief justice shall designate a member of the panel to serve as chair of the panel. The chief justice shall determine the pay and expenses to be received by the panel.

Subd. 2. **Staff.** Within the limits of available appropriations, the state court administrator, in consultation with the panel, shall hire employees or retain consultants necessary to assist the panel in performing its duties under this section. Employees are in the unclassified state civil service. The panel may also use consultants who are under a contract with the state or current state employees to assist the panel in processing claims under this section.

Subd. 3. **Records.** Records of the panel related to a claim filed by a survivor, an offer of settlement, or an acceptance or rejection of an offer are not accessible to the public except for:

(1) the name of the survivor; and

(2) the terms of any written settlement agreement between the survivor and the state.

Subd. 4. **Procedure.** Consistent with sections 3.7391 to 3.7394, the panel may adopt and modify procedures, rules, and forms for considering claims, making offers of settlement, entering into settlement agreements, and considering requests for and making supplemental payments. The panel must allow each survivor to appear in person before the panel or one of its members.

Subd. 5. **Payment of panel expenses.** The state court administrator shall forward documentation of salaries, expenses, and administrative costs under this section to the commissioner of finance for payment of those amounts.

Subd. 6. **Immunity.** Members of the panel and employees and consultants acting under the direction of the panel are absolutely immune from civil liability for any act or omission occurring within the scope of the performance of their duties under this section.

Subd. 7. **General duties.** The panel shall consider claims, make offers of settlement, and enter into settlement agreements with survivors as provided in this section. The panel must not consider negligence or any other theory of liability. The panel shall make offers of settlement and supplemental payments under this section with the assumption that no future appropriation will be available for these purposes and shall include a notice of this provision when making settlement offers.

Subd. 8. **Effect and finality of offers and settlement agreements.** (a) An offer of settlement made to a survivor under this section is considered for all purposes to be an offer to the survivor to settle a legal claim.

(b) A determination by the panel regarding an offer of settlement or settlement agreement or a supplemental payment is final and not subject to judicial review.

(c) The amount of damages incurred by a survivor calculated by the panel pursuant to subdivision 10 may not be used in a subsequent court proceeding in evidence or otherwise to determine any rights, duties, or responsibilities of the state or any other party.

Subd. 9. **Deadlines.** In order to be eligible to receive an offer of settlement or enter into a settlement agreement under this section or to receive a supplemental payment under subdivision 12, a survivor must file a claim with the panel by October 15, 2008. Any offer of settlement must be made by February 28, 2009. A survivor must accept or reject the offer of settlement within 45 days after receiving the offer. Failure to accept an offer within 45 days is a rejection. A survivor who is eligible to receive a supplemental payment under subdivision 12 may choose to wait until the survivor's supplemental payment is calculated before accepting or rejecting an offer of settlement, provided that a survivor may not accept an offer of settlement later than 45 days after receiving notice of the proposed supplemental payment award. The decision to accept or reject an offer is irrevocable. The panel must notify a survivor of the deadlines for response to an offer of settlement as provided in this subdivision.

Subd. 10. **Calculation of amount.** The panel shall determine the total damages incurred by a survivor. The amount of an offer of settlement under this section must be calculated based on the total damages, less:

(1) payments made to the survivor up to the date the settlement offer is made from the collateral sources referred to in section 548.36, subdivision 1;

(2) any payment made to the survivor from the emergency relief fund; and

(3) any payments made or required to be made to the survivor by a third-party tortfeasor under the terms of a settlement or other agreement with the survivor that exists at the time the offer is made or a final judgment in favor of the survivor concerning claims of the survivor that relate to, involve, or arise out of the catastrophe.

Subd. 11. **Offers of settlement; limit on amount.** (a) The amount of an offer of settlement or payment required by a settlement agreement must not exceed \$400,000. This limitation does not apply to a supplemental payment made under subdivision 12. An offer of settlement must be accompanied by a notice to the survivor of the remainder of the amount calculated under subdivision 10 that is not included in the offer because of the limitation under this paragraph and the amount of the remainder for which a supplemental payment may be awarded.

(b) Notwithstanding section 3.736, subdivision 4, clause (e), or section 466.04, subdivision 1, paragraph (a), clause (5), the \$1,000,000 limitation on state or municipal liability for claims arising out of a single occurrence otherwise applicable to the catastrophe does not apply to payments made to survivors under this section. The amount that may be paid by the state is limited by the appropriations for this purpose.

Subd. 12. **Supplemental payments.** (a) For purposes of this subdivision, "uncompensated medical expenses" means:

(1) medical expenses less payments made to a survivor from collateral sources referred to in section 548.36, subdivision 1, that provide payments for medical expenses; and

(2) the present value of premiums, deductibles, and coinsurance payments for high-risk health plan coverage offered by the Minnesota Comprehensive Health Association or by another similar health plan.

(b) A survivor is eligible for a supplemental payment if the offer of settlement calculation for the survivor, as provided in subdivision 10, exceeds \$400,000. The supplemental payment must be calculated based solely on that portion of the uncompensated medical expenses, loss of income, future earning capacity, or other financial support for which compensation was not received under the offer of settlement or settlement agreement under subdivision 11. A supplemental payment may only be made to a survivor who has accepted an offer of settlement, entered into a

settlement agreement, and executed a release under subdivision 13. Consistent with the requirements of this section, the panel shall establish necessary procedures and timelines for the award of supplemental payments. A supplemental payment may be made only for the following purposes, in the following order of priority:

(1) to pay uncompensated medical expenses in excess of those paid from the first \$400,000; and

(2) to pay for loss of income, future earning capacity, or other financial support not included in the first \$400,000.

No payment may be made to a survivor for loss of income under clause (2) unless and until all survivors have been fully paid for all medical expenses for which they are eligible under clause (1).

(c) If the available appropriation is insufficient to make full awards to all survivors eligible for a supplemental payment, the panel may award the payments based on a uniform percentage of the amount that is less than the full amount eligible for a supplemental payment or take other steps the panel considers necessary to ensure that the available appropriation is equitably distributed among all survivors who have requested and qualify for a supplemental payment, subject to the order of priority under this subdivision.

Subd. 13. **Release.** A survivor who accepts an offer of settlement from the panel must agree in writing and in a form developed by the panel, with the approval of the attorney general, to release the state and every municipality of this state and their employees from liability, including claims for damages, arising from the catastrophe and to cooperate with the state in pursuing claims the state may have against any other party. The release must also provide that the survivor will indemnify the state, a municipality, and their employees from any claim of contribution or indemnity, or both, made by other persons against the state, a municipality, and their employees and that the survivor will satisfy any judgment obtained by the survivor in an action against other persons to the extent of the release, if the claim or judgment relates in any way to a claim of the survivor arising from the catastrophe. The release must provide for the subrogation interest of the state under section 3.7394, subdivision 5. A survivor who previously has commenced an administrative, court, or other action against the state or a municipality of the state or their employees seeking recovery from loss resulting from the catastrophe must agree to dismiss or otherwise withdraw the action before receiving compensation under this section.

Subd. 14. **Payment.** The panel shall promptly forward to the commissioner of finance documentation of each settlement agreement that has been entered into under this section. Except as provided in section 3.7394, subdivision 4, paragraph (b), the commissioner of finance shall pay the agreed amount within 45 days after receiving the documentation and in the order in which the documentation from the panel was received.

Subd. 15. **Election to proceed in district court.** (a) A survivor may elect not to file a claim with the panel or not to accept an offer of settlement from the panel. A survivor who elects not to file a claim with the panel or not to accept an offer of settlement has not waived any legal rights that may be asserted against the state or a municipality or their employees and may proceed with a claim in district court.

(b) If a survivor elects not to accept an offer of settlement, the state or a municipality or their employees may not use any data provided by the survivor to the panel in a subsequent legal proceeding. The state or a municipality or their employees may obtain information, including data provided to the panel, through discovery or other legal processes.

Sec. 5. **[3.7394] EFFECT OF SPECIAL COMPENSATION PROCESS; RELATIONSHIP TO OTHER LAW.**

Subdivision 1. **No state liability or duty created.** The establishment of the special compensation process under section 3.7393 and the emergency relief fund, and an offer of settlement or a settlement agreement, is not an admission of liability by the state or a municipality or their employees and does not establish a duty of the state, a

municipality, or their employees to compensate survivors. The creation and funding of the compensation process under sections 3.7391 to 3.7394 or an offer of settlement or settlement agreement is not admissible in a judicial or administrative proceeding to establish liability or a legal duty.

Subd. 2. **Payments as additional compensation.** Payments made under section 3.7393 or from the emergency relief fund are intended to supplement and be in addition to any payments required to be made by a third party under law or contract.

Subd. 3. **Payments from other sources.** Notwithstanding any statutory or common law or agreement to the contrary, a person required to make payments, including future payments, to a survivor may not eliminate or reduce those payments as a result of compensation paid to the survivor under section 3.7393 or from the emergency relief fund or as a result of the survivor's release of claims against the state, a municipality, or their employees under section 3.7393. The obligation of any person other than the state to make payments to a survivor is primary as compared to any payment made or to be made under section 3.7393 or from the emergency relief fund. The persons referenced in and covered by this subdivision and subdivision 4 include, without limitation:

- (1) reparation obligors, as defined in section 65B.43, subdivision 9, whether they are insurers or self-insurers;
- (2) health plan companies, as defined in section 62Q.01, subdivision 4, including the Minnesota Comprehensive Health Association created under section 62E.10;
- (3) insurance companies, as defined in section 60A.02, subdivision 4;
- (4) self-insured pools of political subdivisions organized under section 471.617 or 471.981, including service cooperatives pools organized under section 123A.21;
- (5) risk retention groups, as defined in section 60E.02, subdivision 12;
- (6) joint self-insurance plans governed by chapter 60F;
- (7) workers' compensation insurers and private self-insurers, as defined in section 79.01;
- (8) the Minnesota Life and Health Insurance Guaranty Association governed by chapter 61B;
- (9) the Minnesota Insurance Guaranty Association governed by chapter 60C;
- (10) the Minnesota Joint Underwriting Association governed by chapter 62I;
- (11) all insurers providing credit life, credit accident and health, and credit involuntary unemployment insurance under chapter 62B, but also including those coverages written in connection with real estate mortgage loans and those provided to borrowers at no additional cost;
- (12) the Minnesota unemployment insurance program provided under chapter 268;
- (13) coverage offered by the state under medical assistance, general assistance medical care, and MinnesotaCare;  
and
- (14) any other plan providing health, life, disability income, or long-term care coverage.

Subd. 4. **No third-party subrogation or recovery.** (a) Notwithstanding any statutory or common law or agreement to the contrary, a person who has paid benefits or compensation to or on behalf of a survivor does not have a subrogation or other right to recover those benefits or compensation by making a claim, or recovering from payments made, under section 3.7393 or from the emergency relief fund.

(b) Following a settlement agreement under section 3.7393, a person who believes that the state cannot constitutionally prohibit assertion of a subrogation claim and who is claiming a subrogation interest against the amount to be paid by the state has 40 days after the settlement agreement was entered into to provide notice to the state and the survivor of the person's intent to assert that interest, during which time the commissioner of finance must not make the payment. The subrogation claim is waived if the notice is not provided by the deadline. If no notice is received by the deadline, the commissioner of finance shall make the payment. If a notice of claim is received, the commissioner shall withhold the payment until the subrogee abandons or waives the subrogation claim.

Subd. 5. **Reimbursement of state; right of subrogation.** (a) Notwithstanding any statutory or common law to the contrary, the state is entitled to recover from any third party, including an agent, contractor, or vendor retained by the state, any payments made from the emergency relief fund or under section 3.7393 to the extent the third party caused or contributed to the catastrophe. The state is entitled to be reimbursed regardless of whether the survivor is fully compensated.

(b) Notwithstanding any statutory or common law to the contrary, the state is subrogated to all potential claims against third-party tortfeasors of a survivor receiving payment from the emergency relief fund or under section 3.7393 to the extent the claims relate to, involve, or arise out of the catastrophe. The subrogation right of the state under this subdivision is limited to the amount paid to the survivor from the emergency relief fund and under section 3.7393. The rights of the state under this subdivision are in addition to other remedies, claims, and rights relating to the catastrophe that the state may have against other persons for the recovery of monetary or other relief.

(c) A survivor must notify the state if the survivor has been fully compensated by third parties for damages caused by the catastrophe. A survivor is fully compensated if payments made or required to be made to the survivor by a third-party tortfeasor under the terms of a settlement agreement or other agreement with the survivor or a final judgment in favor of the survivor concerning claims that relate to, involve, or arise out of the catastrophe are equal to or greater than the total damages incurred by the survivor as determined by the panel under section 3.7393, subdivision 10. The state is entitled to be reimbursed by a survivor only to the extent that these payments are greater than the total damages incurred by the survivor.

Subd. 6. **Amounts not considered for purposes of limit on government tort liability.** Payments made to survivors under section 3.7393 or from the emergency relief fund are not to be considered in calculating the \$1,000,000 limit on tort claims in civil actions against the state arising out of the catastrophe for purposes of section 3.736, subdivision 4, clause (e), or a municipality arising out of the catastrophe for purposes of section 466.04, subdivision 1, clause (5).

## Sec. 6. **APPROPRIATIONS.**

Subdivision 1. **Compensation to survivors.** \$24,000,000 is appropriated from the general fund to the commissioner of finance to make payments under settlement agreements entered into by the panel under Minnesota Statutes, section 3.7393, subdivision 11. This appropriation is available until June 30, 2010.

Subd. 2. **Supplemental payments.** \$12,640,000 is appropriated from the general fund to the commissioner of finance to make supplemental payments under Minnesota Statutes, section 3.7393, subdivision 12. This appropriation is available until June 30, 2010.

Subd. 3. **Administrative expenses.** \$750,000 is appropriated from the general fund to the commissioner of finance to pay salaries, expenses, and administrative costs associated with making offers of settlement and entering into settlement agreements under Minnesota Statutes, section 3.7393. This appropriation is available until June 30, 2009.

Subd. 4. **Waite House.** \$610,000 is appropriated from the general fund to the commissioner of finance for a grant to Pillsbury United Communities in Minneapolis, to allow Waite House in Minneapolis to provide services to youth and families of youth who were on a school bus on the I-35W bridge when the bridge collapsed. Services paid for with this appropriation must not be services that could have been funded by settlement payments made to survivors. The commissioner must pay the first half of the grant by June 30, 2008, and pay the second half of the grant on June 30, 2009. Pillsbury United Communities must report to the chairs of the senate Finance and house Ways and Means Committees by June 30, 2009, and June 30, 2010, on expenditure of money under this subdivision. The appropriation is available until June 30, 2010.

Subd. 5. **Report.** The commissioner of finance must report to the legislature by January 15 in each of 2009, 2010, and 2011, on expenditure of the appropriations in this section. The report must list the amount of compensation paid to each survivor and must list administrative expenses incurred by the special master panel.

Sec. 7. **EFFECTIVE DATE.**

This act is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to transportation; providing an alternative compensation and settlement process for survivors of the I-35W catastrophe; appropriating money; amending Minnesota Statutes 2006, section 3.736, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 3."

We request the adoption of this report and repassage of the bill.

House Conferees: RYAN WINKLER, PHYLLIS KAHN, LOREN SOLBERG, STEVE SIMON AND CHRIS DELAFORST.

Senate Conferees: RON LATZ, DAVID W. HANN, LINDA SCHEID, DON BETZOLD AND MEE MOUA.

Winkler moved that the report of the Conference Committee on H. F. No. 2553 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 2553, A bill for an act relating to state government; creating a catastrophe survivor compensation fund; appropriating money; amending Minnesota Statutes 2006, section 13.635, by adding a subdivision; proposing coding for new law as Minnesota Statutes, chapter 8A.

The bill was read for the third time, as amended by Conference, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 127 yeas and 5 nays as follows:

Those who voted in the affirmative were:

Abeler	Dill	Hilstrom	Loeffler	Paymar	Swails
Anderson, B.	Dittrich	Hilty	Madore	Pelowski	Thao
Anderson, S.	Dominguez	Hoppe	Magnus	Peppin	Thissen
Anzelc	Doty	Hortman	Mahoney	Peterson, A.	Tillberry
Atkins	Drazkowski	Hosch	Mariani	Peterson, N.	Tingelstad
Beard	Eastlund	Howes	Marquart	Peterson, S.	Tschumper
Benson	Eken	Huntley	Masin	Poppe	Urdahl
Berns	Erhardt	Jaros	McFarlane	Rukavina	Wagenius
Bigham	Erickson	Johnson	McNamara	Ruth	Walker
Bly	Faust	Juhnke	Moe	Ruud	Ward
Brod	Finstad	Kahn	Morgan	Sailer	Wardlow
Brown	Fritz	Kalin	Morrow	Scalze	Welti
Brynaert	Gardner	Knuth	Mullery	Seifert	Westrom
Bunn	Garofalo	Koenen	Murphy, E.	Sertich	Winkler
Carlson	Gottwalt	Kohls	Murphy, M.	Severson	Wollschlager
Clark	Greiling	Laine	Nelson	Shimanski	Zellers
Cornish	Gunther	Lanning	Nornes	Simon	Spk. Kelliher
Davnie	Hamilton	Lenczewski	Norton	Simpson	
Dean	Hansen	Lesch	Olin	Slawik	
DeLaForest	Hausman	Liebling	Otremba	Slocum	
Demmer	Haws	Lieder	Ozment	Smith	
Dettmer	Heidgerken	Lillie	Paulsen	Solberg	

Those who voted in the negative were:

Buesgens	Emmer	Hackbarth	Holberg	Olson
----------	-------	-----------	---------	-------

The bill was repassed, as amended by Conference, and its title agreed to.

### MESSAGES FROM THE SENATE, Continued

The following message was received from the Senate:

Madam Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendments the concurrence of the House is respectfully requested:

H. F. No. 3222, A bill for an act relating to human services; amending health care services provisions; making changes to general assistance medical care, medical assistance, and MinnesotaCare; modifying claims, liens, and treatment of assets; establishing a statewide information exchange; amending Minnesota Statutes 2006, sections 245.462, subdivision 18; 245.470, subdivision 1; 245.4871, subdivision 27; 245.488, subdivision 1; 256B.056, subdivisions 2, 4a, 11, by adding a subdivision; 256B.057, subdivision 1; 256B.0571, subdivisions 8, 9, 15, by adding a subdivision; 256B.058; 256B.059, subdivisions 1, 1a; 256B.0594; 256B.0595, subdivisions 1, 2, 3, 4, by adding subdivisions; 256B.0624, subdivisions 5, 8; 256B.0625, subdivision 13g; 256B.075, subdivision 2;

256B.0943, subdivision 1; 256B.15, subdivision 4; 256B.69, subdivisions 6, 27, 28; 256J.08, subdivision 73a; 524.3-803; Minnesota Statutes 2007 Supplement, sections 256.01, subdivision 2b; 256B.055, subdivision 14; 256B.0623, subdivision 5; 256B.0625, subdivision 49; 256D.03, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 256B.

COLLEEN J. PACHECO, Second Assistant Secretary of the Senate

Huntley moved that the House refuse to concur in the Senate amendments to H. F. No. 3222, that the Speaker appoint a Conference Committee of 3 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

#### ANNOUNCEMENTS BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 651:

Clark, Laine, Thissen, Madore and Abeler.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 875:

Rukavina, Slocum and Howes.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 3222:

Huntley; Murphy, E., and Erhardt.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 3494:

Pelowski, Kahn, Poppe, Morgan and Peterson, N.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 3669:

Madore, Tschumper and Heidgerken.

#### REPORT FROM THE COMMITTEE ON RULES AND LEGISLATIVE ADMINISTRATION

Sertich from the Committee on Rules and Legislative Administration, pursuant to rule 1.21, designated the following bills to be placed on the Supplemental Calendar for the Day for Monday, May 5, 2008:

H. F. No. 3539; S. F. Nos. 2533 and 3096; and H. F. Nos. 3969 and 2291.

### CALENDAR FOR THE DAY

H. F. No. 3969, A bill for an act relating to state government; authorizing the secretary of state to transfer funds; amending Laws 2007, chapter 148, article 1, section 7.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abeler	Dettmer	Hausman	Lesch	Olin	Simpson
Anderson, B.	Dill	Haws	Liebling	Olson	Slawik
Anderson, S.	Dittrich	Heidgerken	Lieder	Otremba	Slocum
Anzelc	Dominguez	Hilstrom	Lillie	Ozment	Smith
Atkins	Doty	Hilty	Loeffler	Paulsen	Solberg
Beard	Drazkowski	Holberg	Madore	Paymar	Swails
Benson	Eastlund	Hoppe	Magnus	Pelowski	Thao
Berns	Eken	Hortman	Mahoney	Peppin	Thissen
Bigham	Emmer	Hosch	Mariani	Peterson, A.	Tillberry
Bly	Erhardt	Howes	Marquart	Peterson, N.	Tingelstad
Brod	Erickson	Huntley	Masin	Peterson, S.	Tschumper
Brown	Faust	Jaros	McFarlane	Poppe	Urdahl
Brynaert	Finstad	Johnson	McNamara	Rukavina	Wagenius
Buesgens	Fritz	Juhnke	Moe	Ruth	Walker
Bunn	Gardner	Kahn	Morgan	Ruud	Ward
Carlson	Garofalo	Kalin	Morrow	Sailer	Wardlow
Clark	Gottwalt	Knuth	Mullery	Scalze	Welti
Cornish	Greiling	Koenen	Murphy, E.	Seifert	Westrom
Davnie	Gunther	Kohls	Murphy, M.	Sertich	Winkler
Dean	Hackbarth	Laine	Nelson	Severson	Wollschlager
DeLaForest	Hamilton	Lanning	Nornes	Shimanski	Zellers
Demmer	Hansen	Lenczewski	Norton	Simon	Spk. Kelliher

The bill was passed and its title agreed to.

H. F. No. 2291 was reported to the House.

Erickson moved to amend H. F. No. 2291, the first engrossment, as follows:

Page 1, line 20, delete "or other"

Page 1, line 21, delete "determination"

Page 1, line 22, reinstate the stricken language and delete the new language

Page 1, delete lines 23 to 24

Page 2, delete lines 1 to 24

Page 2, line 25, delete the new language

A roll call was requested and properly seconded.

The question was taken on the Erickson amendment and the roll was called. There were 47 yeas and 85 nays as follows:

Those who voted in the affirmative were:

Abeler	DeLaForest	Finstad	Lanning	Paulsen	Simpson
Anderson, B.	Demmer	Garofalo	Magnus	Peppin	Smith
Anderson, S.	Dettmer	Gottwalt	McFarlane	Peterson, N.	Tingelstad
Beard	Drazkowski	Gunther	McNamara	Peterson, S.	Urdahl
Berns	Eastlund	Hackbarth	Nornes	Ruth	Wardlow
Brod	Emmer	Holberg	Norton	Seifert	Westrom
Buesgens	Erhardt	Hoppe	Olson	Severson	Zellers
Dean	Erickson	Kohls	Ozment	Shimanski	

Those who voted in the negative were:

Anzenc	Doty	Howes	Loeffler	Paymar	Thissen
Atkins	Eken	Huntley	Madore	Pelowski	Tillberry
Benson	Faust	Jaros	Mahoney	Peterson, A.	Tschumper
Bigham	Fritz	Johnson	Mariani	Poppe	Wagenius
Bly	Gardner	Juhnke	Marquart	Rukavina	Walker
Brown	Greiling	Kahn	Masin	Ruud	Ward
Brynaert	Hamilton	Kalin	Moe	Sailer	Welti
Bunn	Hansen	Knuth	Morgan	Scalze	Winkler
Carlson	Hausman	Koenen	Morrow	Sertich	Wollschlager
Clark	Haws	Laine	Mullery	Simon	Spk. Kelliher
Cornish	Heidgerken	Lenczewski	Murphy, E.	Slawik	
Davnie	Hilstrom	Lesch	Murphy, M.	Slocum	
Dill	Hilty	Liebling	Nelson	Solberg	
Dittrich	Hortman	Lieder	Olin	Swails	
Dominguez	Hosch	Lillie	Otremba	Thao	

The motion did not prevail and the amendment was not adopted.

Erickson moved to amend H. F. No. 2291, the first engrossment, as follows:

Page 1, delete section 1

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Erickson amendment and the roll was called. There were 47 yeas and 85 nays as follows:

Those who voted in the affirmative were:

Abeler	Dean	Erickson	Howes	Olson	Shimanski
Anderson, B.	DeLaForest	Finstad	Kohls	Ozment	Simpson
Anderson, S.	Demmer	Garofalo	Lanning	Paulsen	Smith
Beard	Dettmer	Gottwalt	Magnus	Peppin	Urdahl
Berns	Drazkowski	Gunther	McFarlane	Peterson, N.	Wardlow
Brod	Eastlund	Hackbarth	McNamara	Ruth	Westrom
Buesgens	Emmer	Holberg	Nornes	Seifert	Zellers
Bunn	Erhardt	Hoppe	Norton	Severson	

Those who voted in the negative were:

Anzelc	Eken	Jaros	Mahoney	Peterson, A.	Tillberry
Atkins	Faust	Johnson	Mariani	Peterson, S.	Tingelstad
Benson	Fritz	Juhnke	Marquart	Poppe	Tschumper
Bigham	Gardner	Kahn	Masin	Rukavina	Wagenius
Bly	Greiling	Kalin	Moe	Ruud	Walker
Brown	Hamilton	Knuth	Morgan	Sailer	Ward
Brynaert	Hansen	Koenen	Morrow	Scalze	Welti
Carlson	Hausman	Laine	Mullery	Sertich	Winkler
Clark	Haws	Lenczewski	Murphy, E.	Simon	Wollschlager
Cornish	Heidgerken	Lesch	Murphy, M.	Slawik	Spk. Kelliher
Davnie	Hilstrom	Liebling	Nelson	Slocum	
Dill	Hilty	Lieder	Olin	Solberg	
Dittrich	Hortman	Lillie	Otremba	Swails	
Dominguez	Hosch	Loeffler	Paymar	Thao	
Doty	Huntley	Madore	Pelowski	Thissen	

The motion did not prevail and the amendment was not adopted.

Erickson moved to amend H. F. No. 2291, the first engrossment, as follows:

Page 2, delete subdivision 1a

A roll call was requested and properly seconded.

The question was taken on the Erickson amendment and the roll was called. There were 55 yeas and 75 nays as follows:

Those who voted in the affirmative were:

Abeler	Brod	Eastlund	Gunther	Liebling	Olson
Anderson, B.	Bunn	Emmer	Hackbarth	Magnus	Ozment
Anderson, S.	Dean	Erhardt	Holberg	McFarlane	Paulsen
Beard	DeLaForest	Erickson	Hoppe	McNamara	Pelowski
Benson	Demmer	Finstad	Howes	Morgan	Peppin
Berns	Dettmer	Garofalo	Kohls	Nornes	Peterson, N.
Bigham	Drazkowski	Gottwalt	Lanning	Norton	Peterson, S.

Poppe	Severson	Smith	Welti	Zellers
Ruth	Shimanski	Swails	Westrom	
Seifert	Simpson	Tingelstad	Wollschlager	

Those who voted in the negative were:

Anzelc	Eken	Hosch	Lillie	Otremba	Thissen
Atkins	Faust	Huntley	Loeffler	Paymar	Tillberry
Bly	Fritz	Jaros	Madore	Peterson, A.	Tschumper
Brown	Gardner	Johnson	Mahoney	Rukavina	Urdahl
Brynaert	Greiling	Juhnke	Mariani	Ruud	Wagenius
Carlson	Hamilton	Kahn	Marquart	Sailer	Walker
Clark	Hansen	Kalin	Masin	Scalze	Ward
Cornish	Hausman	Knuth	Moe	Sertich	Wardlow
Davnie	Haws	Koenen	Morrow	Simon	Winkler
Dill	Heidgerken	Laine	Murphy, E.	Slawik	Spk. Kelliher
Dittrich	Hilstrom	Lenczewski	Murphy, M.	Slocum	
Dominguez	Hilty	Lesch	Nelson	Solberg	
Doty	Hortman	Lieder	Olin	Thao	

The motion did not prevail and the amendment was not adopted.

Erickson moved to amend H. F. No. 2291, the first engrossment, as follows:

Page 3, lines 1 and 3, delete "2008-2009," and delete the second comma

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion did not prevail and the amendment was not adopted.

H. F. No. 2291, A bill for an act relating to education; modifying provisions governing appeals of graduation test scores; amending Minnesota Statutes 2006, section 120B.36, as amended.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 86 yeas and 46 nays as follows:

Those who voted in the affirmative were:

Anzelc	Clark	Fritz	Hilstrom	Juhnke	Liebling
Atkins	Davnie	Gardner	Hilty	Kahn	Lieder
Benson	Dill	Greiling	Hortman	Kalin	Lillie
Bigham	Dittrich	Hamilton	Hosch	Knuth	Loeffler
Bly	Dominguez	Hansen	Howes	Koenen	Madore
Brown	Doty	Hausman	Huntley	Laine	Mahoney
Brynaert	Eken	Haws	Jaros	Lenczewski	Mariani
Carlson	Faust	Heidgerken	Johnson	Lesch	Marquart

Masin	Murphy, M.	Poppe	Slawik	Tingelstad	Winkler
McFarlane	Nelson	Rukavina	Slocum	Tschumper	Wollschlager
Moe	Olin	Ruud	Solberg	Urdahl	Spk. Kelliher
Morgan	Otremba	Sailer	Swails	Wagenius	
Morrow	Paymar	Scalze	Thao	Walker	
Mullery	Pelowski	Sertich	Thissen	Ward	
Murphy, E.	Peterson, A.	Simon	Tillberry	Welti	

Those who voted in the negative were:

Abeler	Cornish	Erhardt	Hoppe	Ozment	Shimanski
Anderson, B.	Dean	Erickson	Kohls	Paulsen	Simpson
Anderson, S.	DeLaForest	Finstad	Lanning	Peppin	Smith
Beard	Demmer	Garofalo	Magnus	Peterson, N.	Wardlow
Berns	Dettmer	Gottwalt	McNamara	Peterson, S.	Westrom
Brod	Drazkowski	Gunther	Nornes	Ruth	Zellers
Buesgens	Eastlund	Hackbarth	Norton	Seifert	
Bunn	Emmer	Holberg	Olson	Severson	

The bill was passed and its title agreed to.

### FISCAL CALENDAR

Pursuant to rule 1.22, Solberg requested immediate consideration of H. F. No. 3149.

H. F. No. 3149 was reported to the House.

The Speaker called Juhnke to the Chair.

Lenczewski moved to amend H. F. No. 3149, the second engrossment, as follows:

Page 3, delete lines 21 to 26 and insert:

"(1) for property taxes payable in 2009, 100 percent; and

(2) for property taxes payable in 2010 and thereafter, 60 percent."

Page 8, line 28, delete "and elimination of"

Page 10, line 9, delete "phaseout" and insert "limitation"

Page 10, line 18, delete "phaseout" and insert "limitation"

Page 10, line 29, delete "phaseout" and insert "limitation"

Page 12, after line 11, insert:

"Sec. 10. **TAXPAYER ASSISTANCE SERVICES; HOMESTEAD CREDIT STATE REFUND.**

(a) \$100,000 in fiscal year 2009 is appropriated from the general fund to the commissioner of revenue to make grants to one or more nonprofit organizations, qualifying under section 501(c)(3) of the Internal Revenue Code of 1986, to coordinate, facilitate, encourage, and aid in the provision of taxpayer assistance services. The commissioner must award grants under this section so as to increase the availability of taxpayer assistance services after April 15th, to assist homeowners in filing claims for the homestead credit state refund, and to increase participation in the program. This appropriation is one-time and is not added to the agency's base budget.

(b) "Taxpayer assistance services" means accounting and tax preparation services provided by volunteers to low-income and disadvantaged Minnesota residents to help them file federal and state income tax returns, Minnesota renter property tax refund claims, and Minnesota homestead credit state refund claims, and may include provision of personal representation before the Department of Revenue and Internal Revenue Service."

Page 29, line 34, delete "biotechnology and medical"

Page 29, line 35, delete "devices" and insert "a qualified biotechnology or medical device field"

Page 32, line 11, delete "four" and insert "3.75" and delete "two" and insert "1.88"

Page 66, delete section 9 and insert:

"Sec. 9. Minnesota Statutes 2006, section 273.11, subdivision 14a, is amended to read:

Subd. 14a. **Vacant land platted on or after August 1, 2001; located in metropolitan counties.** (a) Except as provided in subdivision 14c, all land platted on or after August 1, 2001, located in a metropolitan county, and not improved with a permanent structure, shall be assessed as provided in this subdivision. The assessor shall determine the market value of each individual lot based upon the highest and best use of the property as unplatted land. In establishing the market value of the property, the assessor shall consider the sale price of the unplatted land or comparable sales of unplatted land of similar use and similar availability of public utilities.

(b) The market value determined in paragraph (a) shall be increased as follows for each of the three assessment years immediately following the final approval of the plat: one-third of the difference between the property's unplatted market value as determined under paragraph (a) and the market value based upon the highest and best use of the land as platted property shall be added in each of the three subsequent assessment years.

(c) Any increase in market value after the first assessment year following the plat's final approval shall be added to the property's market value in the next assessment year. Notwithstanding paragraph (b), if construction begins before the expiration of the three years in paragraph (b), that lot shall be eligible for revaluation in the next assessment year. The market value of a platted lot determined under this subdivision shall not exceed the value of that lot based upon the highest and best use of the property as platted land.

(d) For purposes of this section, "metropolitan county" means the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 10. Minnesota Statutes 2006, section 273.11, is amended by adding a subdivision to read:

Subd. 14c. **Certain vacant land platted on or after August 1, 2001; located in metropolitan county.** (a) All land platted on or after August 1, 2001, located in a metropolitan county and not improved with a structure shall be eligible for the phase-in assessment schedule under this subdivision, provided the property (i) is classified homestead under section 273.13, subdivision 22 or 23, in the assessment year prior to the year the initial platting begins on the property; (ii) has been owned or part-owned by the same person for the ten consecutive years prior to the initial platting; and (iii) remains under the same ownership in the current assessment year.

(b) Based upon the assessor's records, the assessor shall obtain the estimated market value of each individual lot based upon the highest and best use of the property as unplatted land for the assessment year that the property was platted. In establishing the market value of the property, the assessor shall have considered the sale price of the unplatted land or comparable sales of unplatted land of similar use and similar availability of public utilities.

(c) To the market value determined in paragraph (b) shall be added one-seventh of the difference between the property's unplatted market value as determined under paragraph (b) and the market value based upon the highest and best use of the land as platted property in the current year, multiplied by the number of assessment years since the property was platted, in each of the subsequent assessment years.

(d) Notwithstanding paragraph (c), if the property is sold or transferred, or construction begins before the expiration of the phase-in in paragraph (c), that lot shall be eligible for revaluation in the next assessment year. The market value of a platted lot determined under this subdivision shall not exceed the value of that lot based upon the highest and best use of the property as platted land.

(e) Any owner of eligible property platted before July 1, 2008, must file an application with the assessor in order to receive the phase-in under this subdivision for the remainder of the seven-year period. The application must be filed before July 1 in order for the property to be eligible for the current year's assessment. The commissioner shall prescribe a uniform application form and instructions.

(f) For purposes of this section, "metropolitan county" means the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

**EFFECTIVE DATE.** This section is effective for taxes payable in 2009 and thereafter."

Page 112, after line 30, insert:

"Sec. 44. Minnesota Statutes 2006, section 275.70, is amended by adding a subdivision to read:

Subd. 6. **Levy aid base.** "Levy aid base" for a local governmental unit for a levy year means its total levy spread on net tax capacity, minus any amounts that would qualify as a special levy under section 275.70, and plus the sum of (1) the total amount of aids and reimbursements that the local governmental unit certified to receive under sections 477A.011 to 477A.014 in the same year, (2) taconite aids under sections 298.28 and 298.282 in the same year, including any aid which was required to be placed in a special fund for expenditure in the next succeeding year, and (3) payments to the local governmental unit under section 272.029 in the same year, adjusted for any error in estimation in the preceding year.

**EFFECTIVE DATE.** This section is effective for levies certified in calendar year 2009, payable in calendar year 2010, and thereafter.

Sec. 45. Minnesota Statutes 2006, section 275.71, is amended to read:

**275.71 LEVY LIMITS.**

Subdivision 1. **Limit on levies.** Notwithstanding any other provision of law or municipal charter to the contrary which authorize ad valorem taxes in excess of the limits established by sections 275.70 to 275.74, the provisions of this section apply to local governmental units for all purposes other than those for which special levies and special assessments are made. The limits under these sections only apply as follows:

(1) to all counties in a levy year following a year in which the sum of their levy aid bases grew by a percent greater than the product of the (i) the percentage increase in the number of households in the state and (ii) the greater of three percent or the percentage growth in the implicit price deflator; and

(2) to all cities with a population of 2,500 or more, in a levy year following a year in which the sum of their levy aid bases grew by a percent greater than the product of the (i) the percentage increase in the sum of number of households in these cities, and (ii) the greater of three percent or the percentage growth in the implicit price deflator.

Subd. 2. **Levy limit base.** (a) The levy limit base for a local governmental unit for taxes levied in 2003 any year in which levy limits apply is equal to its adjusted levy limit base in the previous year, subject to any adjustments under section 275.72, plus any aid amounts received in 2003 under section 273.138 or 273.166, minus the difference between its levy limit under subdivision 5 for taxes levied in 2002 and the amount it actually levied under that subdivision in that year, and certified property tax replacement aid payable in 2003 under section 174.242.

(b) If no adjusted levy limit base was calculated for the previous year, the levy limit base for a local governmental unit is equal to its levy aid base from the previous year.

Subd. 3. **Adjustments for state takeovers.** ~~(a) The levy limit base for each local unit of government shall be adjusted to reflect the assumption by the state of financing for certain government functions as indicated in this subdivision.~~

~~(b) For a county in a judicial district for which financing has not been transferred to the state by January 1, 2001, the levy limit base for 2001 is permanently reduced by the amount of the county's 2001 budget for court administration costs, as certified under section 273.1398, subdivision 4b, paragraph (b), net of the county's share of transferred fines and fees collected by the district courts in the county for the same budget period.~~

~~(c) For a governmental unit which levied a tax in 2000 under section 473.388, subdivision 7, the levy limit base for 2001 is permanently reduced by an amount equal to the sum of the governmental unit's taxes payable 2001 nondebt transit services levy plus the portion of its 2001 homestead and agricultural credit aid under section 273.1398, subdivision 2, attributable to nondebt transit services.~~

~~(d) For counties in a judicial district in which the state assumed financing of mandated services costs as defined in section 480.181, subdivision 4, on July 1, 2001, the levy limit base for taxes levied in 2001 is permanently reduced by an amount equal to one half of the aid reduction under section 273.1398, subdivision 4a, paragraph (g).~~

Subd. 4. **Adjusted levy limit base.** ~~(a) For taxes levied in 2003 any year in which levy limits apply, the adjusted levy limit base is equal to the levy limit base computed under subdivisions subdivision 2 and 3 or section 275.72, reduced by 40 percent of the difference between (1) the sum of 2003 certified aid payments, under sections 273.138, 273.1398 except for amounts certified under subdivision 4a, paragraph (b), 273.166, 477A.011 to 477A.03, 477A.06, and 477A.07, before any reduction under Laws 2003, First Special Session chapter 21, articles 5 and 6, and (2) the sum of the aids paid in 2004 under those same sections, after any reductions in 2004 under Laws 2003, First Special Session chapter 21, articles 5 and 6. multiplied by:~~

(1) one plus the percentage growth in the implicit price deflator;

(2) one plus a percentage equal to the percentage increase in the number of households, if any, for the most recent 12-month period for which data is available; and

(3) one plus a percentage equal to 50 percent of the percentage increase in the taxable market value of the jurisdiction due to new construction of class 3 property, as defined in section 273.13, subdivision 4, except for state-assessed utility and railroad property, for the most recent year for which data is available.

~~(b) For taxes levied in 2003 only, the adjusted levy limit base is increased by 60 percent of the difference between a jurisdiction's market value credit in 2003 before any reductions under Laws 2003, First Special Session chapter 21, articles 5 and 6, and its market value credit in 2004 after reductions in Laws 2003, First Special Session chapter 21, articles 5 and 6.~~

Subd. 5. **Property tax levy limit.** For taxes levied in 2003 years in which the levy limit applies, the property tax levy limit for a local governmental unit is equal to its adjusted levy limit base determined under subdivision 4 plus any additional levy authorized under section 275.73, which is levied against net tax capacity, reduced by the sum of (i) the total amount of aids and reimbursements that the local governmental unit is certified to receive under sections 477A.011 to 477A.014, ~~except for the increases in city aid bases in calendar year 2002 under section 477A.011, subdivision 36, paragraphs (l), (n), and (o), (ii) homestead and agricultural aids it is certified to receive under section 273.1398, (iii) (j)~~ (ii) homestead and agricultural aids it is certified to receive under section 273.1398, (iii) (j) taconite aids under sections 298.28 and 298.282 including any aid which was required to be placed in a special fund for expenditure in the next succeeding year, ~~(iv) temporary court aid under section 273.1398, subdivision 4a, and (v) (iii)~~ (iv) temporary court aid under section 273.1398, subdivision 4a, and (v) (iii) estimated payments to the local governmental unit under section 272.029, adjusted for any error in estimation in the preceding year.

Subd. 6. **Levies in excess of levy limits.** If the levy made by a city or county exceeds the levy limit provided in sections 275.70 to 275.74, except when the excess levy is due to the rounding of the rate in accordance with section 275.28, the county auditor shall only extend the amount of taxes permitted under sections 275.70 to 275.74, as provided for in section 275.16.

**EFFECTIVE DATE.** This section is effective for levies certified in calendar year 2009, payable in 2010, and thereafter."

Page 138, line 1, delete "subdivisions 14 and 14a are" and insert "subdivision 14, is"

Page 201, line 23, strike "prescription" and insert "legend"

Page 201, line 26, strike "prescription" and insert "legend"

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Lenczewski amendment and the roll was called. There were 121 yeas and 11 nays as follows:

Those who voted in the affirmative were:

Abeler	Brynaert	Dittrich	Gardner	Hilstrom	Kahn
Anderson, B.	Buesgens	Dominguez	Garofalo	Hilty	Kalin
Anderson, S.	Bunn	Doty	Gottwalt	Holberg	Knuth
Anzelc	Carlson	Drazkowski	Greiling	Hoppe	Koenen
Atkins	Clark	Eastlund	Gunther	Hortman	Kohls
Benson	Cornish	Eken	Hackbarth	Hosch	Laine
Berns	Davnie	Emmer	Hansen	Huntley	Lenczewski
Bigham	DeLaForest	Erickson	Hausman	Jaros	Lesch
Bly	Dettmer	Faust	Haws	Johnson	Liebling
Brown	Dill	Fritz	Heidgerken	Juhnke	Lieder

Lillie	Morgan	Ozment	Sailer	Swails	Welti
Loeffler	Morrow	Paulsen	Seifert	Thao	Westrom
Madore	Mullery	Paymar	Sertich	Thissen	Winkler
Magnus	Murphy, E.	Pelowski	Severson	Tillberry	Wollschlager
Mahoney	Murphy, M.	Peppin	Shimanski	Tingelstad	Zellers
Mariani	Nelson	Peterson, A.	Simon	Tschumper	Spk. Kelliher
Marquart	Nornes	Peterson, S.	Simpson	Urdahl	
Masin	Norton	Poppe	Slawik	Wagenius	
McFarlane	Olin	Rukavina	Slocum	Walker	
McNamara	Olson	Ruth	Smith	Ward	
Moe	Otremba	Ruud	Solberg	Wardlow	

Those who voted in the negative were:

Beard	Dean	Erhardt	Hamilton	Lanning	Scalze
Brod	Demmer	Finstad	Howes	Peterson, N.	

The motion prevailed and the amendment was adopted.

Simpson moved to amend H. F. No. 3149, the second engrossment, as amended, as follows:

Page 48, delete section 12

Page 60, delete lines 22 to 27

Page 60, after line 27, insert:

#### "ARTICLE 5

#### JOBZ REQUIREMENTS

Section 1. Minnesota Statutes 2006, section 116J.03, is amended by adding a subdivision to read:

**Subd. 4. Targeted rural opportunity community.** "Targeted rural opportunity community" means a city or township in a county that either lost population from 1980 to 2000 according to the decennial census or had an unemployment rate higher than the Minnesota state annual average in 2006 according to local area unemployment statistics published by the Department of Employment and Economic Development.

**EFFECTIVE DATE.** This section is effective the day following final enactment.

Sec. 2. Minnesota Statutes 2006, section 469.310, subdivision 11, is amended to read:

Subd. 11. **Qualified business.** (a) A person carrying on a trade or business at a place of business located within a job opportunity building zone is a qualified business for the purposes of sections 469.310 to 469.320 according to the criteria in paragraphs (b) to ~~(h)~~ (h).

(b) A person is a qualified business only on those parcels of land for which the person has entered into a business subsidy agreement, as required under ~~section~~ sections 469.3102 and 469.313, with the appropriate local government unit in which the parcels are located.

~~(c) Prior to execution of the business subsidy agreement, the local government unit must consider the following factors:~~

- ~~(1) how wages compare to the regional industry average;~~
- ~~(2) the number of jobs that will be provided relative to overall employment in the community;~~
- ~~(3) the economic outlook for the industry the business will engage in;~~
- ~~(4) sales that will be generated from outside the state of Minnesota;~~
- ~~(5) how the business will build on existing regional strengths or diversify the regional economy;~~
- ~~(6) how the business will increase capital investment in the zone; and~~
- ~~(7) any other criteria the commissioner deems necessary.~~

(c) A business must achieve the goals listed in the business subsidy agreement within two years of the benefit date, or the business must repay the benefits listed in section 469.315. The commissioner of employment and economic development may extend the period for meeting any goals listed in a business subsidy agreement for up to one year if the commissioner has reason to believe the business will achieve the goals within the additional year.

(d) A person that begins or expands a trade or business is not a qualified business unless the business meets the requirements of paragraph (b) and increases full-time employment by a minimum of ten jobs within the first two years from the date the business subsidy agreement is signed, unless the business is located in a targeted rural opportunity community, in which case the business must increase full-time employment by a minimum of five jobs from the date the business subsidy agreement is signed.

~~(d)~~ (e) A person that relocates a trade or business from outside a job opportunity building zone into a zone is not a qualified business unless the business meets all of the requirements of paragraphs paragraph (b) and (e) and:

(1) increases full-time employment in the first full year of operation within the job opportunity building zone within the first two years from the date the business subsidy agreement is signed by a minimum of five jobs or 20 percent, whichever is greater, measured relative to the operations that were relocated and maintains the required level of employment for each year the zone designation applies; and

(2) enters a binding written agreement with the commissioner business subsidy agreement that:

(i) pledges the business will meet the requirements of clause (1);

(ii) provides for repayment of all tax benefits enumerated under section 469.315 to the business under the procedures in section 469.319, if the requirements of clause (1) are not met for the taxable year or for taxes payable during the year in which the requirements were not met; and

(iii) contains any other terms the commissioner determines appropriate.

~~(e)~~ (f) The commissioner may waive the requirements under paragraph (d), clause (1) or (e), if the commissioner determines that the qualified business will substantially achieve the factors under this subdivision waiver is necessary to retain an existing business from moving out of Minnesota.

~~(f)~~ (g) A business is not a qualified business if, at its location or locations in the zone, the business is primarily engaged in making retail sales to purchasers who are physically present at the business's zone location.

~~(g)~~ (h) A qualifying business must pay each employee compensation, including benefits not mandated by law, that on an annualized basis is equal to at least 110 percent of the federal poverty level for a family of four.

~~(h)~~ (i) A public utility, as defined in section 336B.01, is not a qualified business.

**EFFECTIVE DATE.** This section is effective the day following final enactment.

Sec. 3. **[469.3101] STATE REVIEW CRITERIA.**

(a) The commissioner may only approve a business subsidy agreement if the commissioner determines that the expected net benefits of the proposed project to the state and local economy exceed the expected tax benefits received by the business. In making this determination, the commissioner must consider the following factors:

(1) local or Minnesota competitors of the business that will be significantly and adversely affected by the business subsidy agreement;

(2) other financial assistance that is available;

(3) the business would not have expanded or began operations in Minnesota without the expected tax benefits;

(4) the business would not have relocated from outside the state to Minnesota without the expected tax benefits;

(5) the business would have moved to another state or expanded in another state rather than remaining or expanding in Minnesota without the expected tax benefits; and

(6) any other factors that the commissioner determines are appropriate.

(b) The local government unit and the qualified business must provide the commissioner with the information that the commissioner needs to review a business subsidy agreement under paragraph (a). The information must be in the form and manner required by the commissioner.

**EFFECTIVE DATE.** This section is effective the day following final enactment.

Sec. 4. **[469.3102] BUSINESS SUBSIDY AGREEMENTS; REPORTS.**

Subdivision 1. **JOBZ business subsidy agreement.** A business subsidy agreement required under section 469.310, subdivision 11, paragraph (b), must comply with this section.

Subd. 2. **Business subsidy agreement requirements.** A business subsidy agreement is not effective until the commissioner has approved the agreement in writing. The commissioner may not approve an agreement that violates sections 116J.993 to 116J.995 or 469.310 to 469.3201. The commissioner may not approve an agreement unless:

(1) the qualified business is required to create or retain a minimum number of jobs;

(2) the agreement defines "jobs" for purposes of determining compliance with wage and job goals as all jobs and only those jobs that constitute "employment" for purposes of state unemployment insurance;

(3) the qualified business is required to report all jobs created or retained because of JOBZ as a separate business location for purposes of section 268.044; and

(4) the qualified business agrees to provide the appropriate data practices release so that the commissioner of revenue and the commissioner of employment and economic development can monitor compliance with the terms of the agreement.

Subd. 3. **Standard agreement.** The commissioner must develop and require the use of a standard business subsidy agreement that imposes definitive and enforceable obligations on the qualified business.

Subd. 4. **Business subsidy reports.** (a) A local government unit must annually report to the commissioner on the progress of the qualified business in meeting the goals listed in the business subsidy agreement. The report must be filed with the commissioner within 30 days of the end of the immediately preceding yearly period for which job creation, job retention, or investment obligations are imposed on a business and must be in a form prescribed by the commissioner. The commissioner must schedule department compliance reviews and reporting dates under business subsidy agreements so that reports are due throughout the year and compliance reviews are done on a continuous basis as reports are filed.

(b) The commissioner must hold a qualified business out of compliance or remove the business from the program if the qualified business fails to provide the information requested by the local government unit for the report under paragraph (a) within 30 days of written notice that the information is overdue. This report is in lieu of the reports required under section 116J.994, subdivisions 7 and 8.

Subd. 5. **Public notice and hearing.** A local government unit must provide public notice and hearing as required under section 116J.994, subdivision 5, before approving a business subsidy agreement. Public notice of a proposed business subsidy agreement must be published in a local newspaper of general circulation. The public hearing must be held in a location specified by the local government unit. Notwithstanding the requirements of section 116J.994, subdivision 5, the commissioner is not required to provide an additional public notice and hearing when entering into a business subsidy agreement with a local government unit and a qualified business.

**EFFECTIVE DATE.** This section is effective the day following final enactment.

Sec. 5. Minnesota Statutes 2006, section 469.312, subdivision 5, is amended to read:

Subd. 5. **Duration limit.** (a) The maximum duration of a zone is 12 years. The applicant may request a shorter duration. The commissioner may specify a shorter duration, regardless of the requested duration.

(b) The duration limit under this subdivision and the duration of the zone for purposes of allowance of tax incentives described in section 469.315 is extended by three calendar years for each parcel of property that meets the following requirements:

(1) the qualified business operates an ethanol plant, as defined in section 41A.09, on the site that includes the parcel; and

(2) the business subsidy agreement was executed after April 30, 2006.

(c)(1) Notwithstanding the 12-year zone limitation, all qualified businesses that sign a business subsidy agreement, as required under sections 469.310, subdivision 11, and 469.313, before December 31, 2015, are entitled to claim the tax benefits for which they qualify under section 469.315 for the year in which the business subsidy agreement is signed and ten additional years.

(2) Notwithstanding the 12-year zone limitation, all qualified businesses that sign a business subsidy agreement, as required under sections 469.310, subdivision 11, and 469.313, before December 31, 2015, and are located in a targeted rural opportunity community, as defined under section 116J.03, subdivision 4, are entitled to claim the tax benefits for which they qualify under section 469.315 for the year in which the business subsidy agreement is signed and 12 additional years.

(3) This paragraph does not apply to:

(i) any acreage designated as a job opportunity building zone for which any person has fully executed a business subsidy agreement before this paragraph became effective; or

(ii) any trade or business that relocated as defined in section 469.310, subdivision 12, and received benefits under section 469.315 prior to the relocation.

**EFFECTIVE DATE.** This section is effective the day following final enactment."

Page 60, delete section 1

Page 92, delete section 25

Page 146, delete section 9

Page 147, delete sections 10 and 11

Page 148, delete sections 12 and 13

Page 150, delete section 14

Page 151, delete section 15

Page 160, delete sections 9, 10, and 11

Page 161, delete sections 12 and 13

Page 162, delete sections 14 and 15

Page 163, delete sections 16 and 17

Page 164, delete section 18

Renumber the articles and sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Simpson amendment and the roll was called. There were 56 yeas and 76 nays as follows:

Those who voted in the affirmative were:

Abeler	Dean	Finstad	Hoppe	Otremba	Smith
Anderson, B.	DeLaForest	Fritz	Howes	Ozment	Tingelstad
Anderson, S.	Demmer	Garofalo	Juhnke	Paulsen	Urdahl
Beard	Dettmer	Gottwalt	Kalin	Peppin	Wardlow
Berns	Drazkowski	Gunther	Kohls	Peterson, N.	Westrom
Bly	Eastlund	Hackbarth	Lanning	Ruth	Zellers
Brod	Emmer	Hamilton	Magnus	Seifert	
Brown	Erhardt	Haws	McFarlane	Severson	
Buesgens	Erickson	Heidgerken	McNamara	Shimanski	
Cornish	Faust	Holberg	Nornes	Simpson	

Those who voted in the negative were:

Anzelc	Eken	Knuth	Masin	Peterson, A.	Thao
Atkins	Gardner	Koenen	Moe	Peterson, S.	Thissen
Benson	Greiling	Laine	Morgan	Poppe	Tillberry
Bigham	Hansen	Lenczewski	Morrow	Rukavina	Tschumper
Brynaert	Hausman	Lesch	Mullery	Ruud	Wagenius
Bunn	Hilstrom	Liebling	Murphy, E.	Sailer	Walker
Carlson	Hilty	Lieder	Murphy, M.	Scalze	Ward
Clark	Hortman	Lillie	Nelson	Sertich	Welti
Davnie	Hosch	Loeffler	Norton	Simon	Winkler
Dill	Huntley	Madore	Olin	Slawik	Wollschlager
Dittrich	Jaros	Mahoney	Olson	Slocum	Spk. Kelliher
Dominguez	Johnson	Mariani	Paymar	Solberg	
Doty	Kahn	Marquart	Pelowski	Swails	

The motion did not prevail and the amendment was not adopted.

Brown, Demmer, Poppe, Greiling, Morrow and Heidgerken moved to amend H. F. No. 3149, the second engrossment, as amended, as follows:

Page 226, after line 28, insert:

"Sec. 4. Minnesota Statutes 2006, section 272.029, subdivision 6, is amended to read:

Subd. 6. **Distribution of revenues.** (a) Revenues from the taxes imposed under subdivision 5 must be part of the settlement between the county treasurer and the county auditor under section 276.09. The revenue must be distributed by the county auditor or the county treasurer to local taxing jurisdictions in which the wind energy conversion system is located as follows: beginning with distributions in 2006, 80 percent to counties; 14 percent to cities and townships; and six percent to school districts; and for distributions occurring in 2004 and 2005 in the same proportion that each of the local taxing jurisdiction's current year's net tax capacity based tax rate is to the current year's total local net tax capacity based rate.

(b) For distributions for 2009 through 2013 only, the amounts paid to school districts under paragraph (a) are not subject to the county apportionment deduction required under section 126C.21, subdivision 3."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion did not prevail and the amendment was not adopted.

Ozment moved to amend H. F. No. 3149, the second engrossment, as amended, as follows:

Page 69, line 18, after "estate" insert "located in a county that is not a metropolitan county as defined in section 473.121, subdivision 4,"

Page 70, after line 9, insert:

"Real estate located in a metropolitan county as defined in section 473.121, subdivision 4, consisting of ten acres or more or a nursery or greenhouse, and qualifying for classification as class 1b, 2a, or 2b under section 273.13, shall be entitled to valuation and tax deferment under this section if it is primarily devoted to agricultural use, and:

(1) is the homestead of the owner, or of a surviving spouse, child, or sibling of the owner or is real estate which is farmed with the real estate which contains the homestead property; or

(2) has been in possession of the applicant, the applicant's spouse, parent, or sibling, or any combination thereof, for a period of at least seven years prior to application for benefits under the provisions of this section, or is real estate which is farmed with the real estate which qualifies under this clause and is within four townships or cities or combination thereof from the qualifying real estate; or

(3) is the homestead of an individual who is part of an entity in compliance with section 500.24; or

(4) is in the possession of a nursery or greenhouse or an entity owned by a proprietor, partnership, or corporation which also owns the nursery or greenhouse operations on the parcel or parcels, provided that only the acres used to produce nursery stock qualify for treatment under this section."

Page 70, line 10, reinstate the stricken language

The motion prevailed and the amendment was adopted.

#### CALL OF THE HOUSE

On the motion of Simpson and on the demand of 10 members, a call of the House was ordered. The following members answered to their names:

Anderson, B.	Benson	Brown	Clark	Demmer	Doty
Anderson, S.	Berns	Brynaert	Cornish	Dettmer	Drazkowski
Anzelc	Bigham	Buesgens	Davnie	Dill	Eastlund
Atkins	Bly	Bunn	Dean	Dittrich	Eken
Beard	Brod	Carlson	DeLaForest	Dominguez	Emmer

Erhardt	Hilty	Lenczewski	Mullery	Poppe	Thao
Erickson	Holberg	Lesch	Murphy, E.	Rukavina	Thissen
Faust	Hoppe	Liebling	Murphy, M.	Ruth	Tillberry
Finstad	Hortman	Lieder	Nelson	Ruud	Tschumper
Fritz	Hosch	Lillie	Nornes	Sailer	Urdahl
Gardner	Howes	Loeffler	Norton	Scalze	Wagenius
Garofalo	Huntley	Madore	Olin	Seifert	Walker
Gottwalt	Jaros	Magnus	Olson	Sertich	Ward
Greiling	Johnson	Mahoney	Otremba	Severson	Wardlow
Gunther	Juhnke	Mariani	Ozment	Shimanski	Welti
Hackbarth	Kahn	Marquart	Paulsen	Simon	Winkler
Hamilton	Kalin	Masin	Paymar	Simpson	Wollschlager
Hansen	Knuth	McFarlane	Pelowski	Slawik	Zellers
Hausman	Koenen	McNamara	Peppin	Slocum	Spk. Kelliher
Haws	Kohls	Moe	Peterson, A.	Smith	
Heidgerken	Laine	Morgan	Peterson, N.	Solberg	
Hilstrom	Lanning	Morrow	Peterson, S.	Swails	

Sertich moved that further proceedings of the roll call be suspended and that the Sergeant at Arms be instructed to bring in the absentees. The motion prevailed and it was so ordered.

Simpson, Cornish, Magnus, Urdahl, Shimanski, Lanning, Erickson, Finstad, Drzakowski, Gunther and Hamilton moved to amend H. F. No. 3149, the second grossment, as amended, as follows:

Page 48, delete section 12

Page 60, delete lines 22 to 27

Page 60, after line 27, insert:

#### "ARTICLE 5

#### JOBZ REQUIREMENTS

Section 1. Minnesota Statutes 2006, section 116J.03, is amended by adding a subdivision to read:

**Subd. 4. Targeted rural opportunity community.** "Targeted rural opportunity community" means a city or township in a county that either lost population from 1980 to 2000 according to the decennial census or had an unemployment rate higher than the Minnesota state annual average in 2006 according to local area unemployment statistics published by the Department of Employment and Economic Development.

**EFFECTIVE DATE.** This section is effective the day following final enactment.

Sec. 2. Minnesota Statutes 2006, section 469.310, subdivision 11, is amended to read:

Subd. 11. **Qualified business.** (a) A person carrying on a trade or business at a place of business located within a job opportunity building zone is a qualified business for the purposes of sections 469.310 to 469.320 according to the criteria in paragraphs (b) to ~~(h)~~.

(b) A person is a qualified business only on those parcels of land for which the person has entered into a business subsidy agreement, as required under ~~section~~ sections 469.3102 and 469.313, with the appropriate local government unit in which the parcels are located.

~~(c) Prior to execution of the business subsidy agreement, the local government unit must consider the following factors:~~

- ~~(1) how wages compare to the regional industry average;~~
- ~~(2) the number of jobs that will be provided relative to overall employment in the community;~~
- ~~(3) the economic outlook for the industry the business will engage in;~~
- ~~(4) sales that will be generated from outside the state of Minnesota;~~
- ~~(5) how the business will build on existing regional strengths or diversify the regional economy;~~
- ~~(6) how the business will increase capital investment in the zone; and~~
- ~~(7) any other criteria the commissioner deems necessary.~~

(c) A business must achieve the goals listed in the business subsidy agreement within two years of the benefit date, or the business must repay the benefits listed in section 469.315. The commissioner of employment and economic development may extend the period for meeting any goals listed in a business subsidy agreement for up to one year if the commissioner has reason to believe the business will achieve the goals within the additional year.

(d) A person that begins or expands a trade or business is not a qualified business unless the business meets the requirements of paragraph (b) and increases full-time employment by a minimum of ten jobs within the first two years from the date the business subsidy agreement is signed, unless the business is located in a targeted rural opportunity community, in which case the business must increase full-time employment by a minimum of five jobs from the date the business subsidy agreement is signed.

~~(d)~~ (e) A person that relocates a trade or business from outside a job opportunity building zone into a zone is not a qualified business unless the business meets all of the requirements of paragraphs paragraph (b) and (e) and:

(1) increases full-time employment in the first full year of operation within the job opportunity building zone within the first two years from the date the business subsidy agreement is signed by a minimum of five jobs or 20 percent, whichever is greater, measured relative to the operations that were relocated and maintains the required level of employment for each year the zone designation applies; and

(2) enters a binding written agreement with the commissioner business subsidy agreement that:

(i) pledges the business will meet the requirements of clause (1);

(ii) provides for repayment of all tax benefits enumerated under section 469.315 to the business under the procedures in section 469.319, if the requirements of clause (1) are not met for the taxable year or for taxes payable during the year in which the requirements were not met; and

(iii) contains any other terms the commissioner determines appropriate.

~~(e)~~ (f) The commissioner may waive the requirements under paragraph (d), clause (1) or (e), if the commissioner determines that the qualified business will substantially achieve the factors under this subdivision waiver is necessary to retain an existing business from moving out of Minnesota.

~~(f)~~ (g) A business is not a qualified business if, at its location or locations in the zone, the business is primarily engaged in making retail sales to purchasers who are physically present at the business's zone location.

~~(g)~~ (h) A qualifying business must pay each employee compensation, including benefits not mandated by law, that on an annualized basis is equal to at least 110 percent of the federal poverty level for a family of four.

~~(h)~~ (i) A public utility, as defined in section 336B.01, is not a qualified business.

**EFFECTIVE DATE.** This section is effective the day following final enactment.

Sec. 3. **[469.3101] STATE REVIEW CRITERIA.**

(a) The commissioner may only approve a business subsidy agreement if the commissioner determines that the expected net benefits of the proposed project to the state and local economy exceed the expected tax benefits received by the business. In making this determination, the commissioner must consider the following factors:

(1) local or Minnesota competitors of the business that will be significantly and adversely affected by the business subsidy agreement;

(2) other financial assistance that is available;

(3) the business would not have expanded or began operations in Minnesota without the expected tax benefits;

(4) the business would not have relocated from outside the state to Minnesota without the expected tax benefits;

(5) the business would have moved to another state or expanded in another state rather than remaining or expanding in Minnesota without the expected tax benefits; and

(6) any other factors that the commissioner determines are appropriate.

(b) The local government unit and the qualified business must provide the commissioner with the information that the commissioner needs to review a business subsidy agreement under paragraph (a). The information must be in the form and manner required by the commissioner.

**EFFECTIVE DATE.** This section is effective the day following final enactment.

Sec. 4. **[469.3102] BUSINESS SUBSIDY AGREEMENTS; REPORTS.**

Subdivision 1. **JOBZ business subsidy agreement.** A business subsidy agreement required under section 469.310, subdivision 11, paragraph (b), must comply with this section.

Subd. 2. **Business subsidy agreement requirements.** A business subsidy agreement is not effective until the commissioner has approved the agreement in writing. The commissioner may not approve an agreement that violates sections 116J.993 to 116J.995 or 469.310 to 469.3201. The commissioner may not approve an agreement unless:

(1) the qualified business is required to create or retain a minimum number of jobs;

(2) the agreement defines "jobs" for purposes of determining compliance with wage and job goals as all jobs and only those jobs that constitute "employment" for purposes of state unemployment insurance;

(3) the qualified business is required to report all jobs created or retained because of JOBZ as a separate business location for purposes of section 268.044; and

(4) the qualified business agrees to provide the appropriate data practices release so that the commissioner of revenue and the commissioner of employment and economic development can monitor compliance with the terms of the agreement.

Subd. 3. **Standard agreement.** The commissioner must develop and require the use of a standard business subsidy agreement that imposes definitive and enforceable obligations on the qualified business.

Subd. 4. **Business subsidy reports.** (a) A local government unit must annually report to the commissioner on the progress of the qualified business in meeting the goals listed in the business subsidy agreement. The report must be filed with the commissioner within 30 days of the end of the immediately preceding yearly period for which job creation, job retention, or investment obligations are imposed on a business and must be in a form prescribed by the commissioner. The commissioner must schedule department compliance reviews and reporting dates under business subsidy agreements so that reports are due throughout the year and compliance reviews are done on a continuous basis as reports are filed.

(b) The commissioner must hold a qualified business out of compliance or remove the business from the program if the qualified business fails to provide the information requested by the local government unit for the report under paragraph (a) within 30 days of written notice that the information is overdue. This report is in lieu of the reports required under section 116J.994, subdivisions 7 and 8.

Subd. 5. **Public notice and hearing.** A local government unit must provide public notice and hearing as required under section 116J.994, subdivision 5, before approving a business subsidy agreement. Public notice of a proposed business subsidy agreement must be published in a local newspaper of general circulation. The public hearing must be held in a location specified by the local government unit. Notwithstanding the requirements of section 116J.994, subdivision 5, the commissioner is not required to provide an additional public notice and hearing when entering into a business subsidy agreement with a local government unit and a qualified business.

**EFFECTIVE DATE.** This section is effective the day following final enactment.

Sec. 5. Minnesota Statutes 2006, section 469.312, subdivision 5, is amended to read:

Subd. 5. **Duration limit.** (a) The maximum duration of a zone is 12 years. The applicant may request a shorter duration. The commissioner may specify a shorter duration, regardless of the requested duration.

(b) The duration limit under this subdivision and the duration of the zone for purposes of allowance of tax incentives described in section 469.315 is extended by three calendar years for each parcel of property that meets the following requirements:

(1) the qualified business operates an ethanol plant, as defined in section 41A.09, on the site that includes the parcel; and

(2) the business subsidy agreement was executed after April 30, 2006.

(c)(1) Notwithstanding the 12-year zone limitation, all qualified businesses that sign a business subsidy agreement, as required under sections 469.310, subdivision 11, and 469.313, before December 31, 2015, are entitled to claim the tax benefits for which they qualify under section 469.315 for the year in which the business subsidy agreement is signed and ten additional years.

(2) Notwithstanding the 12-year zone limitation, all qualified businesses that sign a business subsidy agreement, as required under sections 469.310, subdivision 11, and 469.313, before December 31, 2015, and are located in a targeted rural opportunity community, as defined under section 116J.03, subdivision 4, are entitled to claim the tax benefits for which they qualify under section 469.315 for the year in which the business subsidy agreement is signed and 12 additional years.

(3) This paragraph does not apply to:

(i) any acreage designated as a job opportunity building zone for which any person has fully executed a business subsidy agreement before this paragraph became effective; or

(ii) any trade or business that relocated as defined in section 469.310, subdivision 12, and received benefits under section 469.315 prior to the relocation.

**EFFECTIVE DATE.** This section is effective the day following final enactment."

Renumber the articles and sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Simpson et al amendment and the roll was called. There were 63 yeas and 69 nays as follows:

Those who voted in the affirmative were:

Abeler	DeLaForest	Fritz	Howes	Otremba	Smith
Anderson, B.	Demmer	Garofalo	Juhnke	Ozment	Tingelstad
Anderson, S.	Dettmer	Gottwalt	Kalin	Paulsen	Urdahl
Atkins	Dill	Gunther	Koenen	Peppin	Wardlow
Beard	Drazkowski	Hackbarth	Kohls	Peterson, A.	Welti
Berns	Eastlund	Hamilton	Lanning	Peterson, N.	Westrom
Brod	Emmer	Haws	Magnus	Ruth	Wollschlager
Brown	Erhardt	Heidgerken	McFarlane	Seifert	Zellers
Buesgens	Erickson	Holberg	McNamara	Severson	
Cornish	Faust	Hoppe	Moe	Shimanski	
Dean	Finstad	Hosch	Nornes	Simpson	

Those who voted in the negative were:

Anzelc	Eken	Knuth	Masin	Peterson, S.	Thao
Benson	Gardner	Laine	Morgan	Poppe	Thissen
Bigham	Greiling	Lenczewski	Morrow	Rukavina	Tillberry
Bly	Hansen	Lesch	Mullery	Ruud	Tschumper
Brynaert	Hausman	Liebling	Murphy, E.	Sailer	Wagenius
Bunn	Hilstrom	Lieder	Murphy, M.	Scalze	Walker
Carlson	Hilty	Lillie	Nelson	Sertich	Ward
Clark	Hortman	Loeffler	Norton	Simon	Winkler
Davnie	Huntley	Madore	Olin	Slawik	Spk. Kelliher
Dittrich	Jaros	Mahoney	Olson	Slocum	
Dominguez	Johnson	Mariani	Paymar	Solberg	
Doty	Kahn	Marquart	Pelowski	Swails	

The motion did not prevail and the amendment was not adopted.

## CALL OF THE HOUSE LIFTED

Carlson moved that the call of the House be lifted. The motion prevailed and it was so ordered.

Norton moved to amend H. F. No. 3149, the second engrossment, as amended, as follows:

Pages 143 and 144, delete section 7

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion did not prevail and the amendment was not adopted.

Garofalo, Dean, Dettmer, McNamara, Holberg, Abeler, Kohls, DeLaForest, Emmer, Peppin, Smith, Hackbarth and Buesgens moved to amend H. F. No. 3149, the second engrossment, as amended, as follows:

Page 129, delete section 65

Page 138, delete line 3

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Garofalo et al amendment and the roll was called. There were 43 yeas and 89 nays as follows:

Those who voted in the affirmative were:

Abeler	Demmer	Gottwalt	Lanning	Ruth	Wardlow
Anderson, B.	Dettmer	Gunther	Magnus	Seifert	Westrom
Beard	Drazkowski	Hackbarth	McNamara	Severson	Zellers
Brod	Eastlund	Hamilton	Nornes	Shimanski	
Buesgens	Emmer	Holberg	Norton	Simpson	
Cornish	Erickson	Hoppe	Olson	Smith	
Dean	Finstad	Howes	Ozment	Tingelstad	
DeLaForest	Garofalo	Kohls	Peppin	Urdahl	

Those who voted in the negative were:

Anderson, S.	Berns	Brynaert	Davnie	Doty	Fritz
Anzelc	Bigham	Bunn	Dill	Eken	Gardner
Atkins	Bly	Carlson	Dittrich	Erhardt	Greiling
Benson	Brown	Clark	Dominguez	Faust	Hansen

Hausman	Kahn	Madore	Murphy, M.	Rukavina	Thissen
Haws	Kalin	Mahoney	Nelson	Ruud	Tillberry
Heidgerken	Knuth	Mariani	Olin	Sailer	Tschumper
Hilstrom	Koenen	Marquart	Otremba	Scalze	Wagenius
Hilty	Laine	Masin	Paulsen	Sertich	Walker
Hortman	Lenczewski	McFarlane	Paymar	Simon	Ward
Hosch	Lesch	Moe	Pelowski	Slawik	Welti
Huntley	Liebling	Morgan	Peterson, A.	Slocum	Winkler
Jaros	Lieder	Morrow	Peterson, N.	Solberg	Wollschlager
Johnson	Lillie	Mullery	Peterson, S.	Swails	Spk. Kelliher
Juhnke	Loeffler	Murphy, E.	Poppe	Thao	

The motion did not prevail and the amendment was not adopted.

Demmer, Cornish and Brod moved to amend H. F. No. 3149, the second engrossment, as amended, as follows:

Page 60, after line 29, insert:

"Section 1. Minnesota Statutes 2006, section 123B.53, subdivision 5, is amended to read:

Subd. 5. **Equalized debt service levy.** (a) The equalized debt service levy of a district equals the sum of the first tier equalized debt service levy and the second tier equalized debt service levy.

(b) A district's first tier equalized debt service levy equals the district's first tier debt service equalization revenue times the lesser of one or the ratio of:

(1) the quotient derived by dividing the adjusted school capital net tax capacity of the district for the year before the year the levy is certified by the adjusted pupil units in the district for the school year ending in the year prior to the year the levy is certified; to

(2) \$3,200.

(c) A district's second tier equalized debt service levy equals the district's second tier debt service equalization revenue times the lesser of one or the ratio of:

(1) the quotient derived by dividing the adjusted school capital net tax capacity of the district for the year before the year the levy is certified by the adjusted pupil units in the district for the school year ending in the year prior to the year the levy is certified; to

(2) \$8,000.

**EFFECTIVE DATE.** This section is effective for taxes payable in 2010 and thereafter.

Sec. 2. Minnesota Statutes 2006, section 126C.01, is amended by adding a subdivision to read:

Subd. 2a. **School capital net tax capacity.** "School capital net tax capacity" means the net tax capacity as otherwise defined under section 273.13, excluding the tax capacity attributable to agricultural land or timberland under class 2a or 2b. This exclusion does not apply to the value of improvements, nor to land that is considered part of the house, garage, and one acre of an agricultural homestead under class 2a.

**EFFECTIVE DATE.** This section is effective for taxes payable in 2010 and thereafter.

Sec. 3. Minnesota Statutes 2006, section 126C.01, is amended by adding a subdivision to read:

Subd. 2b. **Adjusted school capital net tax capacity.** "Adjusted school capital net tax capacity" means the school capital net tax capacity defined under subdivision 2a as adjusted by the commissioner of revenue under section 127A.48.

**EFFECTIVE DATE.** This section is effective for taxes payable in 2010 and thereafter."

Page 87, line 19, after the period, insert "All of the value attributable to improvements must be included in the first tier of the agricultural homestead, unless the value of improvements exceeds the first tier valuation limit of the agricultural homestead."

A roll call was requested and properly seconded.

The question was taken on the Demmer et al amendment and the roll was called. There were 63 yeas and 69 nays as follows:

Those who voted in the affirmative were:

Abeler	Demmer	Gottwalt	Koenen	Pelowski	Tschumper
Anderson, B.	Dettmer	Gunther	Kohls	Peterson, A.	Urdahl
Anderson, S.	Doty	Hamilton	Lanning	Peterson, N.	Ward
Beard	Drazkowski	Haws	Magnus	Poppe	Wardlow
Berns	Eastlund	Heidgerken	McFarlane	Ruth	Welti
Bly	Eken	Holberg	McNamara	Seifert	Westrom
Brod	Erhardt	Hoppe	Morrow	Severson	Wollschlager
Brown	Erickson	Hosch	Nornes	Shimanski	Zellers
Cornish	Faust	Howes	Olson	Simpson	
Dean	Finstad	Juhnke	Otremba	Smith	
DeLaForest	Fritz	Kalin	Ozment	Tingelstad	

Those who voted in the negative were:

Anzelc	Dominguez	Jaros	Mahoney	Paulsen	Solberg
Atkins	Emmer	Johnson	Mariani	Paymar	Swails
Benson	Gardner	Kahn	Marquart	Peppin	Thao
Bigham	Garofalo	Knuth	Masin	Peterson, S.	Thissen
Brynaert	Greiling	Laine	Moe	Rukavina	Tillberry
Buesgens	Hackbarth	Lenczewski	Morgan	Ruud	Wagenius
Bunn	Hansen	Lesch	Mullery	Sailer	Walker
Carlson	Hausman	Liebling	Murphy, E.	Scalze	Winkler
Clark	Hilstrom	Lieder	Murphy, M.	Sertich	Spk. Kelliher
Davnie	Hilty	Lillie	Nelson	Simon	
Dill	Hortman	Loeffler	Norton	Slawik	
Dittrich	Huntley	Madore	Olin	Slocum	

The motion did not prevail and the amendment was not adopted.

Olson moved to amend H. F. No. 3149, the second engrossment, as amended, as follows:

Page 29, after line 9, insert:

"Sec. 7. Minnesota Statutes 2006, section 290.06, subdivision 2c, as amended by Laws 2008, chapter 154, article 4, section 6, is amended to read:

Subd. 2c. **Schedules of rates for individuals, estates, and trusts.** (a) The income taxes imposed by this chapter upon married individuals filing joint returns and surviving spouses as defined in section 2(a) of the Internal Revenue Code must be computed by applying to their taxable net income the following schedule of rates:

- (1) On the first \$25,680, ~~5.35~~ 4.85 percent;
- (2) On all over \$25,680, but not over \$102,030, ~~7.05~~ 6.55 percent;
- (3) On all over \$102,030, ~~7.85~~ 7.35 percent.

Married individuals filing separate returns, estates, and trusts must compute their income tax by applying the above rates to their taxable income, except that the income brackets will be one-half of the above amounts.

(b) The income taxes imposed by this chapter upon unmarried individuals must be computed by applying to taxable net income the following schedule of rates:

- (1) On the first \$17,570, ~~5.35~~ 4.85 percent;
- (2) On all over \$17,570, but not over \$57,710, ~~7.05~~ 6.55 percent;
- (3) On all over \$57,710, ~~7.85~~ 7.35 percent.

(c) The income taxes imposed by this chapter upon unmarried individuals qualifying as a head of household as defined in section 2(b) of the Internal Revenue Code must be computed by applying to taxable net income the following schedule of rates:

- (1) On the first \$21,630, ~~5.35~~ 4.85 percent;
- (2) On all over \$21,630, but not over \$86,910, ~~7.05~~ 6.55 percent;
- (3) On all over \$86,910, ~~7.85~~ 7.35 percent.

(d) In lieu of a tax computed according to the rates set forth in this subdivision, the tax of any individual taxpayer whose taxable net income for the taxable year is less than an amount determined by the commissioner must be computed in accordance with tables prepared and issued by the commissioner of revenue based on income brackets of not more than \$100. The amount of tax for each bracket shall be computed at the rates set forth in this subdivision, provided that the commissioner may disregard a fractional part of a dollar unless it amounts to 50 cents or more, in which case it may be increased to \$1.

(e) An individual who is not a Minnesota resident for the entire year must compute the individual's Minnesota income tax as provided in this subdivision. After the application of the nonrefundable credits provided in this chapter, the tax liability must then be multiplied by a fraction in which:

(1) the numerator is the individual's Minnesota source federal adjusted gross income as defined in section 62 of the Internal Revenue Code and increased by the additions required under section 290.01, subdivision 19a, clauses (1), (5), (6), (7), (8), (9), (11), and (12) and reduced by the Minnesota assignable portion of the subtraction for United States government interest under section 290.01, subdivision 19b, clause (1), and the subtractions under section 290.01, subdivision 19b, clauses (9), (10), (14), (15), and (16), after applying the allocation and assignability provisions of section 290.081, clause (a), or 290.17; and

(2) the denominator is the individual's federal adjusted gross income as defined in section 62 of the Internal Revenue Code of 1986, increased by the amounts specified in section 290.01, subdivision 19a, clauses (1), (5), (6), (7), (8), (9), (11), and (12) and reduced by the amounts specified in section 290.01, subdivision 19b, clauses (1), (9), (10), (14), (15), and (16).

~~**EFFECTIVE DATE.** This section is effective for taxable years beginning after December 31, 2006.~~

**EFFECTIVE DATE.** This section is effective for taxable years beginning after December 31, 2009."

Page 37, after line 29, insert:

"Sec. 15. **BUDGET REDUCTION; FY 2010-2011.**

In preparing the budget for and the forecast of general fund expenditures for the fiscal year 2010-2011 biennium, the commissioner of finance must reduce all base appropriations by the percentage necessary to offset the revenue loss estimated to result from the general income tax rate reduction provided in this article.

**EFFECTIVE DATE.** This section is effective the day following final enactment."

ReNUMBER the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Olson amendment and the roll was called. There were 47 yeas and 84 nays as follows:

Those who voted in the affirmative were:

Abeler	Dean	Erickson	Holberg	Ozment	Simpson
Anderson, B.	DeLaForest	Finstad	Hoppe	Paulsen	Smith
Anderson, S.	Demmer	Garofalo	Howes	Peppin	Tingelstad
Beard	Dettmer	Gottwalt	Kohls	Peterson, N.	Urdahl
Berns	Drazkowski	Gunther	Magnus	Ruth	Wardlow
Brod	Eastlund	Hackbarth	McNamara	Seifert	Westrom
Buesgens	Emmer	Hamilton	Nornes	Severson	Zellers
Cornish	Erhardt	Heidgerken	Olson	Shimanski	

Those who voted in the negative were:

Anzelc	Bigham	Brynaert	Clark	Dittrich	Eken
Atkins	Bly	Bunn	Davnie	Dominguez	Faust
Benson	Brown	Carlson	Dill	Doty	Fritz

Gardner	Johnson	Lillie	Mullery	Poppe	Thao
Greiling	Juhnke	Loeffler	Murphy, E.	Rukavina	Thissen
Hansen	Kahn	Madore	Murphy, M.	Ruud	Tillberry
Hausman	Kalin	Mahoney	Nelson	Sailer	Tschumper
Haws	Knuth	Mariani	Norton	Scalze	Wagenius
Hilstrom	Koenen	Marquart	Olin	Sertich	Walker
Hilty	Laine	Masin	Otremba	Simon	Ward
Hortman	Lanning	McFarlane	Paymar	Slawik	Welti
Hosch	Lenczewski	Moe	Pelowski	Slocum	Winkler
Huntley	Lesch	Morgan	Peterson, A.	Solberg	Wollschlager
Jaros	Lieder	Morrow	Peterson, S.	Swails	Spk. Kelliher

The motion did not prevail and the amendment was not adopted.

Tingelstad was excused for the remainder of today's session.

Holberg moved to amend H. F. No. 3149, the second engrossment, as amended, as follows:

Page 129, after line 23, insert:

"Sec. 65. Minnesota Statutes 2006, section 473.446, subdivision 1, is amended to read:

Subdivision 1. **Metropolitan area transit tax.** (a) For the purposes of sections 473.405 to 473.449 and the metropolitan transit system, except as otherwise provided in this subdivision, the council shall ~~levy each year upon all taxable property within the metropolitan area, defined in section 473.121, subdivision 2, certify to the administrative auditor under section 473F.08, subdivision 3c,~~ a transit tax consisting of:

(1) an amount necessary to provide full and timely payment of certificates of indebtedness, bonds, including refunding bonds or other obligations issued or to be issued under section 473.39 by the council for purposes of acquisition and betterment of property and other improvements of a capital nature and to which the council has specifically pledged tax levies under this clause; and

(2) an additional amount necessary to provide full and timely payment of certificates of indebtedness issued by the council, after consultation with the commissioner of finance, if revenues to the metropolitan area transit fund in the fiscal year in which the indebtedness is issued increase over those revenues in the previous fiscal year by a percentage less than the percentage increase for the same period in the revised Consumer Price Index for all urban consumers for the St. Paul-Minneapolis metropolitan area prepared by the United States Department of Labor.

(b) Indebtedness to which property taxes have been pledged under paragraph (a), clause (2), that is incurred in any fiscal year may not exceed the amount necessary to make up the difference between (1) the amount that the council received or expects to receive in that fiscal year from the metropolitan area transit fund and (2) the amount the council received from that fund in the previous fiscal year multiplied by the percentage increase for the same period in the revised Consumer Price Index for all urban consumers for the St. Paul-Minneapolis metropolitan area prepared by the United States Department of Labor.

**EFFECTIVE DATE.** This section is effective for taxes payable in 2009 and thereafter."

Page 129, line 25, strike "taxing" in both places

Page 131, after line 10, insert:

"Sec. 67. Minnesota Statutes 2006, section 473F.07, subdivision 4, is amended to read:

Subd. 4. **Distribution net tax capacity.** The administrative auditor shall determine the proportion which the index of each municipality bears to the sum of the indices of all municipalities and shall then multiply this proportion in the case of each municipality, by the areawide net tax capacity. Prior to the determination of each municipality's distribution net tax capacity under this subdivision, the administrative auditor must subtract an amount equal to (i) the transit tax certified under section 473F.08, subdivision 3c, divided by (ii) the areawide tax rate for the previous year, from the areawide net tax capacity determined under subdivision 1.

**EFFECTIVE DATE.** This section is effective for taxes payable in 2009 and thereafter.

Sec. 68. Minnesota Statutes 2006, section 473F.08, is amended by adding a subdivision to read:

Subd. 3c. **Transit tax.** The metropolitan council shall annually certify the amount determined under section 474.446, subdivision 1, to the Ramsey County auditor. The amount certified shall be an addition to the Metropolitan Council's areawide levy under subdivision 5.

**EFFECTIVE DATE.** This section is effective for taxes payable in 2009 and thereafter."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Holberg amendment and the roll was called. There were 24 yeas and 106 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Demmer	Emmer	Gunther	Howes	Seifert
Buesgens	Dettmer	Erickson	Hackbarth	Magnus	Severson
Cornish	Drazkowski	Finstad	Holberg	Olson	Westrom
Dean	Eastlund	Gottwalt	Hoppe	Peppin	Zellers

Those who voted in the negative were:

Abeler	Bunn	Fritz	Hosch	Lenczewski	Moe
Anderson, S.	Carlson	Gardner	Huntley	Lesch	Morgan
Anzelc	Clark	Garofalo	Jaros	Lieder	Morrow
Atkins	Davnie	Greiling	Johnson	Lillie	Mullery
Beard	DeLaForest	Hamilton	Juhnke	Loeffler	Murphy, E.
Benson	Dill	Hansen	Kahn	Madore	Murphy, M.
Berns	Dittrich	Hausman	Kalin	Mahoney	Nelson
Bigham	Dominguez	Haws	Knuth	Mariani	Nornes
Bly	Doty	Heidgerken	Koenen	Marquart	Norton
Brod	Eken	Hilstrom	Kohls	Masin	Olin
Brown	Erhardt	Hilty	Laine	McFarlane	Otremba
Brynaert	Faust	Hortman	Lanning	McNamara	Ozment

Paulsen	Poppe	Sertich	Smith	Tschumper	Welti
Paymar	Rukavina	Shimanski	Solberg	Urdahl	Winkler
Pelowski	Ruth	Simon	Swails	Wagenius	Wollschlager
Peterson, A.	Ruud	Simpson	Thao	Walker	Spk. Kelliher
Peterson, N.	Sailer	Slawik	Thissen	Ward	
Peterson, S.	Scalze	Slocum	Tillberry	Wardlow	

The motion did not prevail and the amendment was not adopted.

Olson and Jaros moved to amend H. F. No. 3149, the second engrossment, as amended, as follows:

Page 137, after line 32, insert:

"Sec. 75. **CONSTITUTIONAL AMENDMENT PROPOSED.**

An amendment to the Minnesota Constitution is proposed to the people. If the amendment is adopted, article X, section 1, will read:

Section 1. The power of taxation shall never be surrendered, suspended or contracted away. Taxes shall be uniform upon the same class of subjects and shall be levied and collected for public purposes, but public burying grounds, public school houses, public hospitals, academies, colleges, universities, all seminaries of learning, all churches, church property, houses of worship, institutions of purely public charity, and public property used exclusively for any public purpose, shall be exempt from taxation except as provided in this section. ~~There may be exempted from taxation personal property not exceeding in value \$200 for each household, individual or head of a family, and household goods and farm machinery as the legislature determines.~~ The legislature may authorize municipal corporations to levy and collect assessments for local improvements upon property benefited thereby without regard to cash valuation. The legislature by law may define or limit the property exempt under this section other than churches, houses of worship, and property solely used for educational purposes by academies, colleges, universities and seminaries of learning.

a section shall be added to article X to read:

Sec. 9. After December 31, 2012, the legislature may not impose an ad valorem tax on real or personal property nor may it authorize any political subdivision of the state to impose such a tax. This section does not apply to an ad valorem tax on real or personal property imposed by the state or a political subdivision of the state to pay certificates of indebtedness, principal, and interest on bonds or other obligations issued before November 4, 2008, for which ad valorem property taxes have been pledged for payment.

article XI, section 4, will read:

Sec. 4. The state may contract public debts for which its full faith, credit and taxing powers may be pledged at the times and in the manner authorized by law, but only for the purposes and subject to the conditions stated in section 5. Public debt includes any obligation payable directly in whole or in part from a tax of state wide application on ~~any class of property~~, income, transaction or privilege, but does not include any obligation which is payable from revenues other than taxes.

article XI, section 6, will read:

Sec. 6. As authorized by law certificates of indebtedness may be issued during a biennium, commencing on July 1 in each odd-numbered year and ending on and including June 30 in the next odd-numbered year, in anticipation of the collection of taxes levied for and other revenues appropriated to any fund of the state for expenditure during that biennium.

No certificates shall be issued in an amount which with interest thereon to maturity, added to the then outstanding certificates against a fund and interest thereon to maturity, will exceed the then unexpended balance of all money which will be credited to that fund during the biennium under existing laws. The maturities of certificates may be extended by refunding to a date not later than December 1 of the first full calendar year following the biennium in which the certificates were issued. If money on hand in any fund is not sufficient to pay all non-refunding certificates of indebtedness issued on a fund during any biennium and all certificates refunding the same, plus interest thereon, which are outstanding on December 1 immediately following the close of the biennium, the state auditor shall ~~levy upon all taxable property in the state a tax collectible~~ impose an additional rate on taxable sales and uses made in the ensuing year sufficient to pay the same on or before December 1 of the ensuing year with interest to the date or dates of payment.

article XI, section 7, will read:

Sec. 7. Public debt other than certificates of indebtedness authorized in section 6 shall be evidenced by the issuance of bonds of the state. All bonds issued under the provisions of this section shall mature not more than 20 years from their respective dates of issue and each law authorizing the issuance of bonds shall distinctly specify the purposes thereof and the maximum amount of the proceeds authorized to be expended for each purpose. A separate and special state bond fund shall be maintained on the official books and records. When the full faith and credit of the state has been pledged for the payment of bonds, the state auditor shall ~~levy impose~~ each year ~~on all taxable property within the state~~ a state sales and use tax sufficient with the balance then on hand in the fund to pay all principal and interest on bonds issued under this section due and to become due within the ensuing year and to including July 1 in the second ensuing year. The legislature by law may appropriate funds from any source to the state bond fund. The amount of money actually received and on hand pursuant to appropriations prior to the levy of the tax in any year shall be used to reduce the amount of tax otherwise required to be levied.

Sec. 76. SUBMISSION TO VOTERS.

The proposed amendment must be submitted to the people at the 2008 general election. The question submitted shall be:

"Shall the Minnesota Constitution be amended to prohibit the state or a political subdivision of the state from imposing an ad valorem tax on real or personal property, after December 31, 2012, except for a tax imposed to pay bonds or obligations issued before November 4, 2008?"

Yes .....  
No ....."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Olson and Jaros amendment and the roll was called. There were 17 yeas and 113 nays as follows:

Those who voted in the affirmative were:

- |              |            |           |            |           |         |
|--------------|------------|-----------|------------|-----------|---------|
| Anderson, B. | Dean       | Emmer     | Heidgerken | Olson     | Wardlow |
| Brod         | DeLaForest | Erickson  | Hoppe      | Severson  | Zellers |
| Buesgens     | Drazkowski | Hackbarth | Kohls      | Shimanski |         |

Those who voted in the negative were:

Abeler	Dittrich	Hilty	Loeffler	Otremba	Slawik
Anderson, S.	Dominguez	Holberg	Madore	Ozment	Slocum
Anzelc	Doty	Hortman	Magnus	Paulsen	Smith
Atkins	Eastlund	Hosch	Mahoney	Paymar	Solberg
Beard	Eken	Howes	Mariani	Pelowski	Swails
Benson	Erhardt	Huntley	Marquart	Peppin	Thao
Berns	Faust	Jaros	Masin	Peterson, A.	Thissen
Bigham	Finstad	Johnson	McFarlane	Peterson, N.	Tillberry
Bly	Fritz	Juhnke	McNamara	Peterson, S.	Tschumper
Brown	Gardner	Kahn	Moe	Poppe	Urdahl
Brynaert	Garofalo	Kalin	Morgan	Rukavina	Wagenius
Bunn	Gottwalt	Knuth	Morrow	Ruth	Walker
Carlson	Greiling	Koenen	Mullery	Ruud	Ward
Clark	Gunther	Laine	Murphy, E.	Sailer	Welti
Cornish	Hamilton	Lanning	Murphy, M.	Scalze	Westrom
Davnie	Hansen	Lenczewski	Nelson	Seifert	Winkler
Demmer	Hausman	Lesch	Nornes	Sertich	Wollschlager
Dettmer	Haws	Lieder	Norton	Simon	Spk. Kelliher
Dill	Hilstrom	Lillie	Olin	Simpson	

The motion did not prevail and the amendment was not adopted.

Olson, Hackbarth and Heidgerken moved to amend H. F. No. 3149, the second engrossment, as amended, as follows:

Page 137, after line 32 insert:

"Sec. 75. **CONSTITUTIONAL AMENDMENT PROPOSED.**

An amendment to the Minnesota Constitution is proposed to the people. If the amendment is adopted, a section shall be added to article X, to read:

Sec. 9. After December 31, 2009, ad valorem taxes imposed by the state and its political subdivisions for any calendar year not exceed 30 percent of state tax revenues for the previous fiscal year.

Sec. 76. **SUBMISSION TO VOTERS.**

The proposed amendment must be submitted to the people at the 2008 general election. The question submitted must be:

"Shall the Minnesota Constitution be amended to prohibit the levying of property taxes in excess of 30 percent of state tax receipts?"

Yes .....  
No ....."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Olson et al amendment and the roll was called. There were 19 yeas and 112 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	DeLaForest	Erickson	Heidgerken	Peppin
Brod	Dettmer	Garofalo	Hoppe	Severson
Buesgens	Drazkowski	Gunther	Kohls	Shimanski
Dean	Emmer	Hackbarth	Olson	

Those who voted in the negative were:

Abeler	Dominguez	Hosch	Magnus	Paulsen	Solberg
Anderson, S.	Doty	Howes	Mahoney	Paymar	Swails
Anzelc	Eastlund	Huntley	Mariani	Pelowski	Thao
Atkins	Eken	Jaros	Marquart	Peterson, A.	Thissen
Beard	Erhardt	Johnson	Masin	Peterson, N.	Tillberry
Benson	Faust	Juhnke	McFarlane	Peterson, S.	Tschumper
Berns	Finstad	Kahn	McNamara	Poppe	Urdahl
Bigham	Fritz	Kalin	Moe	Rukavina	Wagenius
Bly	Gardner	Knuth	Morgan	Ruth	Walker
Brown	Gottwalt	Koenen	Morrow	Ruud	Ward
Brynaert	Greiling	Laine	Mullery	Sailer	Wardlow
Bunn	Hamilton	Lanning	Murphy, E.	Scalze	Welti
Carlson	Hansen	Lenczewski	Murphy, M.	Seifert	Westrom
Clark	Hausman	Lesch	Nelson	Sertich	Winkler
Cornish	Haws	Liebling	Nornes	Simon	Wollschlager
Davnie	Hilstrom	Lieder	Norton	Simpson	Zellers
Demmer	Hilty	Lillie	Olin	Slawik	Spk. Kelliher
Dill	Holberg	Loeffler	Otremba	Slocum	
Dittrich	Hortman	Madore	Ozment	Smith	

The motion did not prevail and the amendment was not adopted.

Severson, Wardlow, Dettmer and Brod moved to amend H. F. No. 3149, the second engrossment, as amended, as follows:

Page 25, after line 26, insert:

"Section 1. Minnesota Statutes 2006, section 270A.03, subdivision 7, is amended to read:

Subd. 7. **Refund.** "Refund" means an individual income tax refund ~~or political contribution refund~~, pursuant to chapter 290, or a property tax credit or refund, pursuant to chapter 290A, or a sustainable forest tax payment to a claimant under chapter 290C.

For purposes of this chapter, lottery prizes, as set forth in section 349A.08, subdivision 8, and amounts granted to persons by the legislature on the recommendation of the joint senate-house of representatives Subcommittee on Claims shall be treated as refunds.

In the case of a joint property tax refund payable to spouses under chapter 290A, the refund shall be considered as belonging to each spouse in the proportion of the total refund that equals each spouse's proportion of the total income determined under section 290A.03, subdivision 3. In the case of a joint income tax refund under chapter

289A, the refund shall be considered as belonging to each spouse in the proportion of the total refund that equals each spouse's proportion of the total taxable income determined under section 290.01, subdivision 29. The commissioner shall remit the entire refund to the claimant agency, which shall, upon the request of the spouse who does not owe the debt, determine the amount of the refund belonging to that spouse and refund the amount to that spouse. For court fines, fees, and surcharges and court-ordered restitution under section 611A.04, subdivision 2, the notice provided by the commissioner of revenue under section 270A.07, subdivision 2, paragraph (b), serves as the appropriate legal notice to the spouse who does not owe the debt.

**EFFECTIVE DATE.** This section is effective for political contribution refund claims based on contributions that are made after June 30, 2008."

Page 28, after line 3 insert:

"Sec. 6. Minnesota Statutes 2006, section 289A.50, subdivision 1, is amended to read:

Subdivision 1. **General right to refund.** (a) Subject to the requirements of this section and section 289A.40, a taxpayer who has paid a tax in excess of the taxes lawfully due and who files a written claim for refund will be refunded or credited the overpayment of the tax determined by the commissioner to be erroneously paid.

(b) The claim must specify the name of the taxpayer, the date when and the period for which the tax was paid, the kind of tax paid, the amount of the tax that the taxpayer claims was erroneously paid, the grounds on which a refund is claimed, and other information relative to the payment and in the form required by the commissioner. An income tax, estate tax, or corporate franchise tax return, or amended return claiming an overpayment constitutes a claim for refund.

(c) When, in the course of an examination, and within the time for requesting a refund, the commissioner determines that there has been an overpayment of tax, the commissioner shall refund or credit the overpayment to the taxpayer and no demand is necessary. If the overpayment exceeds \$1, the amount of the overpayment must be refunded to the taxpayer. If the amount of the overpayment is less than \$1, the commissioner is not required to refund. In these situations, the commissioner does not have to make written findings or serve notice by mail to the taxpayer.

(d) If the amount allowable as a credit for withholding, estimated taxes, or dependent care exceeds the tax against which the credit is allowable, the amount of the excess is considered an overpayment. ~~The refund allowed by section 290.06, subdivision 23, is also considered an overpayment.~~ The requirements of section 270C.33 do not apply to the refunding of such an overpayment shown on the original return filed by a taxpayer.

(e) If the entertainment tax withheld at the source exceeds by \$1 or more the taxes, penalties, and interest reported in the return of the entertainment entity or imposed by section 290.9201, the excess must be refunded to the entertainment entity. If the excess is less than \$1, the commissioner need not refund that amount.

(f) If the surety deposit required for a construction contract exceeds the liability of the out-of-state contractor, the commissioner shall refund the difference to the contractor.

(g) An action of the commissioner in refunding the amount of the overpayment does not constitute a determination of the correctness of the return of the taxpayer.

(h) There is appropriated from the general fund to the commissioner of revenue the amount necessary to pay refunds allowed under this section.

**EFFECTIVE DATE.** This section is effective for political contribution refund claims based on contributions made after June 30, 2008.

Sec. 7. Minnesota Statutes 2006, section 290.01, subdivision 6, is amended to read:

Subd. 6. **Taxpayer.** The term "taxpayer" means any person or corporation subject to a tax imposed by this chapter. ~~For purposes of section 290.06, subdivision 23, the term "taxpayer" means an individual eligible to vote in Minnesota under section 201.014.~~

**EFFECTIVE DATE.** This section is effective for political contribution refund claims based on contributions made after June 30, 2008.

Sec. 8. Minnesota Statutes 2007 Supplement, section 290.01, subdivision 19b, as amended by Laws 2008, chapter 154, article 3, section 3, and Laws 2008, chapter 154, article 11, section 11, is amended to read:

Subd. 19b. **Subtractions from federal taxable income.** For individuals, estates, and trusts, there shall be subtracted from federal taxable income:

(1) net interest income on obligations of any authority, commission, or instrumentality of the United States to the extent includable in taxable income for federal income tax purposes but exempt from state income tax under the laws of the United States;

(2) if included in federal taxable income, the amount of any overpayment of income tax to Minnesota or to any other state, for any previous taxable year, whether the amount is received as a refund or as a credit to another taxable year's income tax liability;

(3) the amount paid to others, less the amount used to claim the credit allowed under section 290.0674, not to exceed \$1,625 for each qualifying child in grades kindergarten to 6 and \$2,500 for each qualifying child in grades 7 to 12, for tuition, textbooks, and transportation of each qualifying child in attending an elementary or secondary school situated in Minnesota, North Dakota, South Dakota, Iowa, or Wisconsin, wherein a resident of this state may legally fulfill the state's compulsory attendance laws, which is not operated for profit, and which adheres to the provisions of the Civil Rights Act of 1964 and chapter 363A. For the purposes of this clause, "tuition" includes fees or tuition as defined in section 290.0674, subdivision 1, clause (1). As used in this clause, "textbooks" includes books and other instructional materials and equipment purchased or leased for use in elementary and secondary schools in teaching only those subjects legally and commonly taught in public elementary and secondary schools in this state. Equipment expenses qualifying for deduction includes expenses as defined and limited in section 290.0674, subdivision 1, clause (3). "Textbooks" does not include instructional books and materials used in the teaching of religious tenets, doctrines, or worship, the purpose of which is to instill such tenets, doctrines, or worship, nor does it include books or materials for, or transportation to, extracurricular activities including sporting events, musical or dramatic events, speech activities, driver's education, or similar programs. For purposes of the subtraction provided by this clause, "qualifying child" has the meaning given in section 32(c)(3) of the Internal Revenue Code;

(4) income as provided under section 290.0802;

(5) to the extent included in federal adjusted gross income, income realized on disposition of property exempt from tax under section 290.491;

(6) to the extent not deducted or not deductible pursuant to section 408(d)(8)(E) of the Internal Revenue Code in determining federal taxable income by an individual who does not itemize deductions for federal income tax purposes for the taxable year, an amount equal to 50 percent of the excess of charitable contributions over \$500 allowable as a deduction for the taxable year under section 170(a) of the Internal Revenue Code and under the provisions of Public Law 109-1;

(7) for taxable years beginning before January 1, 2008, the amount of the federal small ethanol producer credit allowed under section 40(a)(3) of the Internal Revenue Code which is included in gross income under section 87 of the Internal Revenue Code;

(8) for individuals who are allowed a federal foreign tax credit for taxes that do not qualify for a credit under section 290.06, subdivision 22, an amount equal to the carryover of subnational foreign taxes for the taxable year, but not to exceed the total subnational foreign taxes reported in claiming the foreign tax credit. For purposes of this clause, "federal foreign tax credit" means the credit allowed under section 27 of the Internal Revenue Code, and "carryover of subnational foreign taxes" equals the carryover allowed under section 904(c) of the Internal Revenue Code minus national level foreign taxes to the extent they exceed the federal foreign tax credit;

(9) in each of the five tax years immediately following the tax year in which an addition is required under subdivision 19a, clause (7), or 19c, clause (14), in the case of a shareholder of a corporation that is an S corporation, an amount equal to one-fifth of the delayed depreciation. For purposes of this clause, "delayed depreciation" means the amount of the addition made by the taxpayer under subdivision 19a, clause (7), or subdivision 19c, clause (14), in the case of a shareholder of an S corporation, minus the positive value of any net operating loss under section 172 of the Internal Revenue Code generated for the tax year of the addition. The resulting delayed depreciation cannot be less than zero;

(10) job opportunity building zone income as provided under section 469.316;

(11) to the extent included in federal taxable income, the amount of compensation paid to members of the Minnesota National Guard or other reserve components of the United States military for active service performed in Minnesota, excluding compensation for services performed under the Active Guard Reserve (AGR) program. For purposes of this clause, "active service" means (i) state active service as defined in section 190.05, subdivision 5a, clause (1); (ii) federally funded state active service as defined in section 190.05, subdivision 5b; or (iii) federal active service as defined in section 190.05, subdivision 5c, but "active service" excludes services performed exclusively for purposes of basic combat training, advanced individual training, annual training, and periodic inactive duty training; special training periodically made available to reserve members; and service performed in accordance with section 190.08, subdivision 3;

(12) to the extent included in federal taxable income, the amount of compensation paid to Minnesota residents who are members of the armed forces of the United States or United Nations for active duty performed outside Minnesota under United States Code, title 10, section 101(d); United States Code, title 32, section 101(12); or the authority of the United Nations;

(13) an amount, not to exceed \$10,000, equal to qualified expenses related to a qualified donor's donation, while living, of one or more of the qualified donor's organs to another person for human organ transplantation. For purposes of this clause, "organ" means all or part of an individual's liver, pancreas, kidney, intestine, lung, or bone marrow; "human organ transplantation" means the medical procedure by which transfer of a human organ is made from the body of one person to the body of another person; "qualified expenses" means unreimbursed expenses for both the individual and the qualified donor for (i) travel, (ii) lodging, and (iii) lost wages net of sick pay, except that such expenses may be subtracted under this clause only once; and "qualified donor" means the individual or the individual's dependent, as defined in section 152 of the Internal Revenue Code. An individual may claim the subtraction in this clause for each instance of organ donation for transplantation during the taxable year in which the qualified expenses occur;

(14) in each of the five tax years immediately following the tax year in which an addition is required under subdivision 19a, clause (8), or 19c, clause (15), in the case of a shareholder of a corporation that is an S corporation, an amount equal to one-fifth of the addition made by the taxpayer under subdivision 19a, clause (8), or 19c, clause (15), in the case of a shareholder of a corporation that is an S corporation, minus the positive value of any net operating loss under section 172 of the Internal Revenue Code generated for the tax year of the addition. If the net operating loss exceeds the addition for the tax year, a subtraction is not allowed under this clause;

(15) to the extent included in federal taxable income, compensation paid to a nonresident who is a service member as defined in United States Code, title 10, section 101(a)(5), for military service as defined in the Service Member Civil Relief Act, Public Law 108-189, section 101(2); ~~and~~

(16) international economic development zone income as provided under section 469.325-; and

(17) to the extent included in federal taxable income, a percentage of compensation received from a pension or other retirement pay from the government for service in the armed forces of the United States. For taxable years beginning after December 31, 2008, and before January 1, 2010, the percentage is 25 percent up to a maximum subtraction of \$7,500; for taxable years beginning after December 31, 2009, and before January 1, 2011, the percentage is 50 percent up to a maximum subtraction of \$15,000; for taxable years beginning after December 31, 2010, and before January 1, 2012, the percentage is 75 percent up to a maximum subtraction of \$22,500; and for taxable years beginning after December 31, 2011, the percentage is 100 percent up to a maximum subtraction of \$30,000.

**EFFECTIVE DATE.** This section is effective for tax years beginning after December 31, 2008."

Page 37, delete section 15 and insert:

"Sec. 15. **REPEALER.**

(a) Minnesota Statutes 2006, section 290.191, subdivision 4, is repealed.

(b) Minnesota Statutes 2006, section 10A.322, subdivision 4, is repealed.

(c) Minnesota Statutes 2006, section 290.06, subdivision 23, is repealed.

**EFFECTIVE DATE.** Paragraph (a) is effective for taxable years beginning after December 31, 2008.

Paragraph (b) is effective June 30, 2008.

Paragraph (c) is effective for refund claims based on contributions made after June 30, 2008."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

Koenen moved to amend the Severson et al amendment to H. F. No. 3149, the second engrossment, as amended, as follows:

Page 1, delete lines 2 to 26

Page 2, delete lines 2 to 36

Page 3, delete lines 1 to 6

Page 3, line 7, delete "Sec. 8." and insert "Sec. 5."

Page 6, line 5, delete everything after "beginning"

Page 6, delete lines 6 to 8

Page 6, line 9, delete "years beginning"

Page 6, line 14, delete "2008" and insert "2010"

Page 6, delete lines 15 to 24

ReNUMBER the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the amendment to the amendment and the roll was called. There were 38 yeas and 92 nays as follows:

Those who voted in the affirmative were:

Anzelc	Hansen	Juhnke	Lillie	Pelowski	Ward
Bigham	Hausman	Kalin	Masin	Peterson, A.	Wollschlager
Bly	Hortman	Koenen	Moe	Rukavina	Spk. Kelliher
Brown	Hosch	Laine	Morrow	Sailer	
Dill	Howes	Lesch	Mullery	Sertich	
Erhardt	Jaros	Liebling	Norton	Tschumper	
Gunther	Johnson	Lieder	Otremba	Walker	

Those who voted in the negative were:

Anderson, B.	Bunn	Dittrich	Finstad	Heidgerken	Lanning
Anderson, S.	Carlson	Dominguez	Fritz	Hilstrom	Lenczewski
Atkins	Clark	Doty	Gardner	Hilty	Loeffler
Beard	Cornish	Drazkowski	Garofalo	Holberg	Madore
Benson	Davnie	Eastlund	Gottwalt	Hoppe	Magnus
Berns	Dean	Eken	Greiling	Huntley	Mahoney
Brod	DeLaForest	Emmer	Hackbarth	Kahn	Mariani
Brynaert	Demmer	Erickson	Hamilton	Knuth	Marquart
Buesgens	Dettmer	Faust	Haws	Kohls	McFarlane

McNamara	Olson	Poppe	Simon	Thao	Westrom
Morgan	Ozment	Ruth	Simpson	Thissen	Winkler
Murphy, E.	Paulsen	Ruud	Slawik	Tillberry	Zellers
Murphy, M.	Paymar	Scalze	Slocum	Urdahl	
Nelson	Peppin	Seifert	Smith	Wagenius	
Nornes	Peterson, N.	Severson	Solberg	Wardlow	
Olin	Peterson, S.	Shimanski	Swails	Welti	

The motion did not prevail and the amendment to the amendment was not adopted.

Holberg was excused between the hours of 7:05 p.m. and 10:40 p.m.

The question recurred on the Severson et al amendment and the roll was called. There were 75 yeas and 54 nays as follows:

Those who voted in the affirmative were:

Abeler	Demmer	Garofalo	Lanning	Paulsen	Slawik
Anderson, B.	Dettmer	Gottwalt	Lillie	Pelowski	Smith
Anderson, S.	Dittrich	Hamilton	Madore	Peppin	Swails
Atkins	Doty	Hansen	Magnus	Peterson, A.	Urdahl
Beard	Drazkowski	Haws	McFarlane	Peterson, N.	Ward
Berns	Eastlund	Heidgerken	McNamara	Peterson, S.	Wardlow
Bigham	Eken	Hoppe	Morrow	Poppe	Welti
Brod	Emmer	Hosch	Nornes	Ruth	Westrom
Brown	Erhardt	Howes	Norton	Sailer	Wollschlager
Buesgens	Erickson	Juhnke	Olin	Seifert	Zellers
Cornish	Faust	Kalin	Olson	Severson	
Dean	Finstad	Koenen	Otremba	Shimanski	
DeLaForest	Fritz	Kohls	Ozment	Simpson	

Those who voted in the negative were:

Anzelc	Dominguez	Huntley	Loeffler	Murphy, M.	Solberg
Benson	Gardner	Jaros	Mahoney	Nelson	Thao
Bly	Greiling	Johnson	Mariani	Paymar	Thissen
Brynaert	Gunther	Kahn	Marquart	Rukavina	Tillberry
Bunn	Hackbarth	Knuth	Masin	Ruud	Tschumper
Carlson	Hausman	Laine	Moe	Scalze	Wagenius
Clark	Hilstrom	Lenczewski	Morgan	Sertich	Walker
Davnie	Hilty	Liebling	Mullery	Simon	Winkler
Dill	Hortman	Lieder	Murphy, E.	Slocum	Spk. Kelliher

The motion prevailed and the amendment was adopted.

Urdahl, Heidgerken, Welti, Tschumper, Simpson, Gunther, Brod, Otremba and Koenen moved to amend H. F. No. 3149, the second engrossment, as amended, as follows:

Page 34, after line 22, insert:

"Sec. 12. [290.0681] RURAL ECONOMIC GROWTH CREDIT.

Subdivision 1. **Credit name.** The credit allowed by this section shall be known as the "Rural Minnesota Catch-Up Credit."

Subd. 2. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

(b) "Eligible county" means a county, located outside the metropolitan area, as defined in section 473.121, subdivision 2, that experienced, between 1994 and 2004, a net new job growth rate of less than 15.6 percent, or a county that has a population of less than 25,000 according to the 2000 census.

(c) "Qualifying job" means a job in an industry that produces goods or services that bring outside wealth into an eligible county. A qualifying job includes jobs in the following industries: value-added manufacturing, technologically innovative and information industries, forestry, mining, agriprocessing, and tourism attractions. At a minimum, a qualifying job must provide full-time employment and pay not less than \$12 per hour, or \$10 per hour plus health insurance benefits, or its equivalent. A qualifying job does not include any job for which a tax credit is received under section 469.318 or for which a grant is made under section 469.309.

Subd. 3. **Credit allowed.** A taxpayer that is awarded a credit under subdivision 4 may take a credit against the tax imposed by this chapter, equal to \$4,000 per qualifying job created by the taxpayer, per year for three years, and \$3,000 in the fourth year.

Subd. 4. **Qualification; application.** (a) To qualify for a credit under this section, a taxpayer must have created a new qualifying job within an eligible county after January 1, 2009. The taxpayer must have had an employee in the new qualifying job for 12 months before applying for a credit.

(b) A taxpayer seeking a credit under this section must apply to an eligible county at least 60 days before the award date in paragraph (c) on a form and in a manner prescribed by the commissioner of employment and economic development.

(c) Eligible counties shall award credits under this section once each year, by March 15, during one two-year period beginning on January 1, 2011. An eligible county shall publish a notice advertising the award date, at least 90 days before the date. The county board of commissioners of an eligible county, or the duly appointed representatives of the county board of commissioners, shall award credits under this section to applicants using uniform criteria established by the commissioner of employment and economic development. In selecting among applicants for awarding credits under this section, criteria must contemplate and place greater weight on the following factors: whether the qualifying job provides higher wages, better benefits, or on-the-job training; whether the taxpayer's business is locally owned and owns, rather than leases, its own facilities or buildings; whether the taxpayer's business provides employee stock ownership plans or employee profit sharing; and whether a higher percentage of the business's employees are hired with tax credits under this section. For purposes of this section, "duly appointed representatives" include a county or regional economic development agency or authority.

Subd. 5. **Limitation; carryforward.** (a) The total amount of credits under this section may not exceed \$150,000 per eligible county over two years. If a county fails to award \$150,000 within a year, it may carry forward the amount that remains unawarded to the following year. Unawarded amounts may not be carried beyond the following year and are lost.

(b) A taxpayer may claim the credit under this section for the year following the year in which the new qualifying job is created and for each year following a year in which the new qualifying job remains in existence, up to a maximum of four years or \$15,000 per qualifying job created. The taxpayer may claim the credit under this section for years in which the qualifying job was in existence for the entire year. A credit under this section is awarded to the taxpayer for, and attaches to, a designated employee. If the designated employee for whom a credit under this section was awarded leaves the employment of the taxpayer for any reason, the taxpayer may continue to claim the credit for the qualifying job only if a replacement employee is hired to fill the qualifying job within a reasonable period, not to exceed three months.

**Subd. 6. Credit refundable.** If the amount of credit that the taxpayer is eligible to receive under this section exceeds the liability for tax under this chapter, the commissioner shall refund the excess to the claimant. An amount sufficient to pay the refunds authorized by this subdivision is appropriated to the commissioner from the general fund.

**Subd. 7. Manner of claiming.** The commissioner shall prescribe the manner in which the credit may be issued and claimed. This may include providing for the issuance of credit certificates or allowing the credit only as a separately processed claim for a refund.

**Subd. 8. Report.** The commissioner of employment and economic development shall provide a written report to the legislature by February 15, 2012, in compliance with Minnesota Statutes, sections 3.195 and 3.197, on credits claimed under this section and shall evaluate the feasibility and benefit of continuing the program. The commissioner may consult with the commissioner of revenue in preparing this report.

**Subd. 9. Expiration.** This section expires for taxable years beginning after December 31, 2015.

**EFFECTIVE DATE.** This section is effective January 1, 2009."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Urdahl et al amendment and the roll was called. There were 35 yeas and 95 nays as follows:

Those who voted in the affirmative were:

Abeler	Dettmer	Finstad	Kohls	Ruth	Urdahl
Anderson, B.	Drazkowski	Gunther	Magnus	Seifert	Wardlow
Beard	Eastlund	Hamilton	Nornes	Severson	Welti
Brod	Emmer	Heidgerken	Olin	Shimanski	Westrom
Cornish	Erickson	Howes	Otremba	Simpson	Wollschlager
Demmer	Faust	Koenen	Ozment	Tschumper	

Those who voted in the negative were:

Anderson, S.	Davnie	Greiling	Juhnke	Mahoney	Norton
Anzelc	Dean	Hackbarth	Kahn	Mariani	Olson
Atkins	DeLaForest	Hansen	Kalin	Marquart	Paulsen
Benson	Dill	Hausman	Knuth	Masin	Paymar
Berns	Dittrich	Haws	Laine	McFarlane	Pelowski
Bigham	Dominguez	Hilstrom	Lanning	McNamara	Peppin
Bly	Doty	Hilty	Lenczewski	Moe	Peterson, A.
Brown	Eken	Hoppe	Lesch	Morgan	Peterson, N.
Brynaert	Erhardt	Hortman	Liebling	Morrow	Peterson, S.
Buesgens	Fritz	Hosch	Lieder	Mullery	Poppe
Bunn	Gardner	Huntley	Lillie	Murphy, E.	Rukavina
Carlson	Garofalo	Jaros	Loeffler	Murphy, M.	Ruud
Clark	Gottwalt	Johnson	Madore	Nelson	Sailer

Scalze  
Sertich  
Simon

Slawik  
Slocum  
Smith

Solberg  
Swails  
Thao

Thissen  
Tillberry  
Wagenius

Walker  
Ward  
Winkler

Zellers  
Spk. Kelliher

The motion did not prevail and the amendment was not adopted.

Kohls, Hoppe, Finstad, Buesgens, Dean, Brod, Simpson and Seifert moved to amend H. F. No. 3149, the second engrossment, as amended, as follows:

Page 65, after line 32, insert:

"Sec. 8. Minnesota Statutes 2006, section 273.11, subdivision 5, is amended to read:

Subd. 5. **Boards of review and equalization.** Notwithstanding any other provision of law to the contrary, the limitation contained in subdivisions 1 ~~and 1a~~, and 26 shall also apply to the authority of the local board of review as provided in section 274.01, the county board of equalization as provided in section 274.13, the State Board of Equalization and the commissioner of revenue as provided in sections 270.11, subdivision 1, 270.12, 270C.92, and 270C.94.

**EFFECTIVE DATE.** This section is effective for assessment years 2009 and 2010, for taxes payable in 2010 and 2011."

Page 69, after line 15, insert:

"Sec. 13. Minnesota Statutes 2006, section 273.11, is amended by adding a subdivision to read:

**Subd. 26. Valuation increase prohibited.** (a) The taxable market value used for taxes levied in the current year may not exceed the property's taxable market value used for taxes levied in the preceding year.

(b) This subdivision does not apply to any increase in estimated market value attributable to improvements made to the property.

**EFFECTIVE DATE.** This section is effective for assessment years 2009 and 2010, for taxes payable in 2010 and 2011."

Page 79, line 3, after "(4)" insert "the amount of any market value increase prohibited under section 273.11, subdivision 26, (5)"

Page 79, line 4, after "improvements" insert "under clause (3) or any valuation freeze amount under clause (4)"

Page 79, line 5, strike "(5)" and insert "(6)"

Page 79, line 6, strike "(6)" and insert "(7)"

Page 79, line 8, strike "(7)" and insert "(8)" and strike "(8)" and insert "(9)"

Page 79, line 27, before the period, insert ", except clauses (4) and (5) are effective for valuation notices for the 2009 and 2010 assessment"

Page 102, after line 5, insert:

"Sec. 36. Minnesota Statutes 2006, section 276.04, subdivision 2, is amended to read:

Subd. 2. **Contents of tax statements.** (a) The treasurer shall provide for the printing of the tax statements. The commissioner of revenue shall prescribe the form of the property tax statement and its contents. The statement must contain a tabulated statement of the dollar amount due to each taxing authority and the amount of the state tax from the parcel of real property for which a particular tax statement is prepared. The dollar amounts attributable to the county, the state tax, the voter approved school tax, the other local school tax, the township or municipality, and the total of the metropolitan special taxing districts as defined in section 275.065, subdivision 3, paragraph (i), must be separately stated. The amounts due all other special taxing districts, if any, may be aggregated except that any levies made by the regional rail authorities in the county of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, or Washington under chapter 398A shall be listed on a separate line directly under the appropriate county's levy. If the county levy under this paragraph includes an amount for a lake improvement district as defined under sections 103B.501 to 103B.581, the amount attributable for that purpose must be separately stated from the remaining county levy amount. In the case of Ramsey County, if the county levy under this paragraph includes an amount for public library service under section 134.07, the amount attributable for that purpose may be separated from the remaining county levy amount. The amount of the tax on homesteads qualifying under the senior citizens' property tax deferral program under chapter 290B is the total amount of property tax before subtraction of the deferred property tax amount. The amount of the tax on contamination value imposed under sections 270.91 to 270.98, if any, must also be separately stated. The dollar amounts, including the dollar amount of any special assessments, may be rounded to the nearest even whole dollar. For purposes of this section whole odd-numbered dollars may be adjusted to the next higher even-numbered dollar. The amount of market value excluded under section 273.11, subdivision 16, if any, must also be listed on the tax statement.

(b) The property tax statements for manufactured homes and sectional structures taxed as personal property shall contain the same information that is required on the tax statements for real property.

(c) Real and personal property tax statements must contain the following information in the order given in this paragraph. The information must contain the current year tax information in the right column with the corresponding information for the previous year in a column on the left:

- (1) the property's estimated market value under section 273.11, subdivision 1;
- (2) the property's taxable market value after reductions under section 273.11, subdivisions 1a ~~and~~ 16, and 26;
- (3) the property's gross tax, calculated by adding the property's total property tax to the sum of the aids enumerated in clause (4);
- (4) a total of the following aids:
  - (i) education aids payable under chapters 122A, 123A, 123B, 124D, 125A, 126C, and 127A;
  - (ii) local government aids for cities, towns, and counties under sections 477A.011 to 477A.04; and
  - (iii) disparity reduction aid under section 273.1398;
- (5) for homestead residential and agricultural properties, the credits under section 273.1384;

(6) any credits received under sections 273.119; 273.123; 273.135; 273.1391; 273.1398, subdivision 4; 469.171; and 473H.10, except that the amount of credit received under section 273.135 must be separately stated and identified as "taconite tax relief"; and

(7) the net tax payable in the manner required in paragraph (a).

(d) If the county uses envelopes for mailing property tax statements and if the county agrees, a taxing district may include a notice with the property tax statement notifying taxpayers when the taxing district will begin its budget deliberations for the current year, and encouraging taxpayers to attend the hearings. If the county allows notices to be included in the envelope containing the property tax statement, and if more than one taxing district relative to a given property decides to include a notice with the tax statement, the county treasurer or auditor must coordinate the process and may combine the information on a single announcement.

The commissioner of revenue shall certify to the county auditor the actual or estimated aids enumerated in paragraph (c), clause (4), that local governments will receive in the following year. The commissioner must certify this amount by January 1 of each year.

**EFFECTIVE DATE.** This section is effective for property tax statements for taxes payable in 2010 and 2011."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Kohls et al amendment and the roll was called. There were 39 yeas and 90 nays as follows:

Those who voted in the affirmative were:

Abeler	Cornish	Finstad	Hoppe	Paulsen	Smith
Anderson, B.	Dean	Garofalo	Howes	Peppin	Wardlow
Anderson, S.	DeLaForest	Gottwalt	Kohls	Ruth	Westrom
Beard	Dettmer	Gunther	Magnus	Seifert	Zellers
Berns	Drazkowski	Hackbarth	McNamara	Severson	
Brod	Eastlund	Hamilton	Nornes	Shimanski	
Buesgens	Emmer	Heidgerken	Olson	Simpson	

Those who voted in the negative were:

Anzelc	Demmer	Greiling	Juhnke	Loeffler	Murphy, E.
Atkins	Dill	Hansen	Kahn	Madore	Murphy, M.
Benson	Dittrich	Hausman	Kalin	Mahoney	Nelson
Bigham	Dominguez	Haws	Knuth	Mariani	Norton
Bly	Doty	Hilstrom	Koenen	Marquart	Olin
Brown	Eken	Hilty	Laine	Masin	Otreмба
Brynaert	Erhardt	Hortman	Lanning	McFarlane	Ozment
Bunn	Erickson	Hosch	Lenczewski	Moe	Paymar
Carlson	Faust	Huntley	Liebling	Morgan	Pelowski
Clark	Fritz	Jaros	Lieder	Morrow	Peterson, A.
Davnie	Gardner	Johnson	Lillie	Mullery	Peterson, N.

Peterson, S.	Sailer	Slawik	Thao	Urdahl	Welti
Poppe	Scalze	Slocum	Thissen	Wagenius	Winkler
Rukavina	Sertich	Solberg	Tillberry	Walker	Wollschlager
Ruud	Simon	Swails	Tschumper	Ward	Spk. Kelliher

The motion did not prevail and the amendment was not adopted.

Howes, Brod, Seifert and Urdahl moved to amend H. F. No. 3149, the second engrossment, as amended, as follows:

Page 165, after line 12, insert:

"Sec. 19. **GAS TAX HOLIDAY.**

The taxes imposed under Minnesota Statutes, chapter 296A, shall not be imposed or collected on sales and purchases made after June 30, 2008, and before November 1, 2008. The commissioner shall allow the distributor credit or refund of the tax paid on gasoline and special fuels sold in this state during this time period.

**EFFECTIVE DATE.** This section is effective for sales and purchases made after June 30, 2008, and before November 1, 2008."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Howes et al amendment and the roll was called. There were 28 yeas and 102 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	DeLaForest	Erickson	Hoppe	Otremba	Urdahl
Brod	Demmer	Garofalo	Howes	Peppin	Westrom
Buesgens	Dettmer	Gunther	Kohls	Seifert	Zellers
Cornish	Drazkowski	Hackbarth	Nornes	Simpson	
Dean	Emmer	Heidgerken	Olson	Smith	

Those who voted in the negative were:

Abeler	Brown	Doty	Greiling	Huntley	Lanning
Anderson, S.	Brynaert	Eastlund	Hamilton	Jaros	Lenczewski
Anzelc	Bunn	Eken	Hansen	Johnson	Lesch
Atkins	Carlson	Erhardt	Hausman	Juhnke	Liebling
Beard	Clark	Faust	Haws	Kahn	Lieder
Benson	Davnie	Finstad	Hilstrom	Kalin	Lillie
Berns	Dill	Fritz	Hilty	Knuth	Loeffler
Bigham	Dittrich	Gardner	Hortman	Koenen	Madore
Bly	Dominguez	Gottwalt	Hosch	Laine	Magnus

Mahoney	Morrow	Paulsen	Ruth	Slawik	Wagenius
Mariani	Mullery	Paymar	Ruud	Slocum	Walker
Marquart	Murphy, E.	Pelowski	Sailer	Solberg	Ward
Masin	Murphy, M.	Peterson, A.	Scalze	Swails	Wardlow
McFarlane	Nelson	Peterson, N.	Sertich	Thao	Welti
McNamara	Norton	Peterson, S.	Severson	Thissen	Winkler
Moe	Olin	Poppe	Shimanski	Tillberry	Wollschlager
Morgan	Ozment	Rukavina	Simon	Tschumper	Spk. Kelliher

The motion did not prevail and the amendment was not adopted.

Erhardt moved to amend H. F. No. 3149, the second engrossment, as amended, as follows:

Page 25, after line 20, insert:

"Sec. 12. **PAY 2008 AIDS; CITIES OF THE FIRST CLASS; REVENUE ANTICIPATION NOTES.**

(a) Notwithstanding section 477A.015, the aid payment under section 477A.011, subdivision 9 to cities of the first class for aids, payable in calendar year 2008 only, shall not be paid to those cities until July 1, 2009. This payment shall be equal to 110 percent of the certified aid amount for calendar year 2008.

(b) Notwithstanding any other provision of law or municipal charter, the cities of the first class may borrow in anticipation of the delayed aid payment under this section. Borrowing under this section shall not be subject to any referendum requirements or included in computing any debt limits of the city.

**EFFECTIVE DATE.** This section is effective for aids certified as payable in 2008 only."

Page 137, after line 32, insert:

"Sec. 75. **ADDITIONAL PROPERTY TAX REFUND AMOUNT.**

Subdivision 1. **Determination of amount.** For homeowner and renter property tax refunds based on taxes payable in 2008 only, the commissioner of revenue shall increase each refund by 15 percent over the amount otherwise determined under section 290A.04, subdivisions 2 and 2a.

Subd. 2. **Appropriation.** The amount necessary to fund the additional property tax refund amount provided under this section is appropriated from the general fund to the commissioner of revenue in fiscal years 2009 and 2010.

**EFFECTIVE DATE.** This section is effective for refunds based on property taxes payable in 2008 only.

Sec. 76. **REFUND OF STATE GENERAL TAX FOR 2008; SEASONAL RECREATIONAL PROPERTY.**

Subdivision 1. **County payments to state.** Notwithstanding the provisions of Minnesota Statutes 2006, section 276.112, for taxes payable in 2008 only, the county auditor shall retain all property tax payments attributable to the state general levy received prior to December 1, 2008, from properties classified as noncommercial seasonal residential recreational, to pay for the refunds provided under this section.

Subd. 2. Refund provided. By October 1, 2008, each county shall issue a refund to each owner of noncommercial seasonal recreational property equal to the property's share of the state general levy for taxes payable in 2008. No refund will be issued in the case of a property whose first-half 2008 property tax payment has not been received as of September 1, 2008.

Subd. 3. Settlement. The county may charge an administrative fee of up to \$1 for each refund issued. Each county shall determine the difference between (a) the total administrative fee plus the total amount of refunds issued under subdivision 2, and (b) the total amount of state general tax retained under subdivision 1. If the amount determined under (a) exceeds the amount determined under (b), the county must file a claim with the commissioner of revenue for the difference by December 15, 2008, and the commissioner must pay the claim by December 31, 2008. If the amount determined under (b) exceeds the amount determined under (a), the county must pay the excess to the state treasurer by December 15, 2008.

Subd. 4. Appropriation. A sum sufficient to pay the claims filed under subdivision 3 is appropriated from the general fund to the commissioner of revenue in fiscal year 2009.

**EFFECTIVE DATE.** This section is effective the day following final enactment."

ReNUMBER the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Erhardt amendment and the roll was called. There were 41 yeas and 87 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Dean	Erhardt	Heidgerken	Paulsen	Simpson
Anderson, S.	DeLaForest	Erickson	Hoppe	Peppin	Smith
Beard	Demmer	Garofalo	Kohls	Peterson, N.	Urdahl
Berns	Dettmer	Gottwalt	Magnus	Ruth	Wardlow
Brod	Drazkowski	Gunther	McNamara	Seifert	Westrom
Buesgens	Eastlund	Hackbarth	Nornes	Severson	Zellers
Cornish	Emmer	Hamilton	Olson	Shimanski	

Those who voted in the negative were:

Anzelc	Dittrich	Hilstrom	Koenen	Marquart	Otremba
Atkins	Dominguez	Hilty	Laine	Masin	Paymar
Benson	Doty	Hortman	Lanning	McFarlane	Pelowski
Bigham	Eken	Hosch	Lenczewski	Moe	Peterson, A.
Bly	Faust	Howes	Lesch	Morgan	Peterson, S.
Brown	Finstad	Huntley	Liebling	Morrow	Poppe
Brynaert	Fritz	Jaros	Lieder	Mullery	Rukavina
Bunn	Gardner	Johnson	Lillie	Murphy, E.	Ruud
Carlson	Greiling	Juhnke	Loeffler	Murphy, M.	Sailer
Clark	Hansen	Kahn	Madore	Nelson	Scalze
Davnie	Hausman	Kalin	Mahoney	Norton	Sertich
Dill	Haws	Knuth	Mariani	Olin	Simon

Slawik	Swails	Tillberry	Walker	Winkler
Slocum	Thao	Tschumper	Ward	Wollschlager
Solberg	Thissen	Wagenius	Welti	Spk. Kelliher

The motion did not prevail and the amendment was not adopted.

Erickson moved to amend H. F. No. 3149, the second engrossment, as amended, as follows:

Page 28, after line 3 insert:

"Sec. 5. Minnesota Statutes 2007 Supplement, section 290.01, subdivision 19b, as amended by Laws 2008, chapter 154, article 3, section 3, and Laws 2008, chapter 154, article 11, section 11, is amended to read:

Subd. 19b. **Subtractions from federal taxable income.** For individuals, estates, and trusts, there shall be subtracted from federal taxable income:

(1) net interest income on obligations of any authority, commission, or instrumentality of the United States to the extent includable in taxable income for federal income tax purposes but exempt from state income tax under the laws of the United States;

(2) if included in federal taxable income, the amount of any overpayment of income tax to Minnesota or to any other state, for any previous taxable year, whether the amount is received as a refund or as a credit to another taxable year's income tax liability;

(3) the amount paid to others, less the amount used to claim the credit allowed under section 290.0674, not to exceed \$1,625 for each qualifying child in grades kindergarten to 6 and \$2,500 for each qualifying child in grades 7 to 12, for tuition, textbooks, and transportation of each qualifying child in attending an elementary or secondary school situated in Minnesota, North Dakota, South Dakota, Iowa, or Wisconsin, wherein a resident of this state may legally fulfill the state's compulsory attendance laws, which is not operated for profit, and which adheres to the provisions of the Civil Rights Act of 1964 and chapter 363A. For the purposes of this clause, "tuition" includes fees or tuition as defined in section 290.0674, subdivision 1, clause (1). As used in this clause, "textbooks" includes books and other instructional materials and equipment purchased or leased for use in elementary and secondary schools in teaching only those subjects legally and commonly taught in public elementary and secondary schools in this state. Equipment expenses qualifying for deduction includes expenses as defined and limited in section 290.0674, subdivision 1, clause (3). "Textbooks" does not include instructional books and materials used in the teaching of religious tenets, doctrines, or worship, the purpose of which is to instill such tenets, doctrines, or worship, nor does it include books or materials for, or transportation to, extracurricular activities including sporting events, musical or dramatic events, speech activities, driver's education, or similar programs. For purposes of the subtraction provided by this clause, "qualifying child" has the meaning given in section 32(c)(3) of the Internal Revenue Code;

(4) income as provided under section 290.0802;

(5) to the extent included in federal adjusted gross income, income realized on disposition of property exempt from tax under section 290.491;

(6) to the extent not deducted or not deductible pursuant to section 408(d)(8)(E) of the Internal Revenue Code in determining federal taxable income by an individual who does not itemize deductions for federal income tax purposes for the taxable year, an amount equal to 50 percent of the excess of charitable contributions over \$500 allowable as a deduction for the taxable year under section 170(a) of the Internal Revenue Code and under the provisions of Public Law 109-1;

(7) for taxable years beginning before January 1, 2008, the amount of the federal small ethanol producer credit allowed under section 40(a)(3) of the Internal Revenue Code which is included in gross income under section 87 of the Internal Revenue Code;

(8) for individuals who are allowed a federal foreign tax credit for taxes that do not qualify for a credit under section 290.06, subdivision 22, an amount equal to the carryover of subnational foreign taxes for the taxable year, but not to exceed the total subnational foreign taxes reported in claiming the foreign tax credit. For purposes of this clause, "federal foreign tax credit" means the credit allowed under section 27 of the Internal Revenue Code, and "carryover of subnational foreign taxes" equals the carryover allowed under section 904(c) of the Internal Revenue Code minus national level foreign taxes to the extent they exceed the federal foreign tax credit;

(9) in each of the five tax years immediately following the tax year in which an addition is required under subdivision 19a, clause (7), or 19c, clause (14), in the case of a shareholder of a corporation that is an S corporation, an amount equal to one-fifth of the delayed depreciation. For purposes of this clause, "delayed depreciation" means the amount of the addition made by the taxpayer under subdivision 19a, clause (7), or subdivision 19c, clause (14), in the case of a shareholder of an S corporation, minus the positive value of any net operating loss under section 172 of the Internal Revenue Code generated for the tax year of the addition. The resulting delayed depreciation cannot be less than zero;

(10) job opportunity building zone income as provided under section 469.316;

(11) to the extent included in federal taxable income, the amount of compensation paid to members of the Minnesota National Guard or other reserve components of the United States military for active service performed in Minnesota, excluding compensation for services performed under the Active Guard Reserve (AGR) program. For purposes of this clause, "active service" means (i) state active service as defined in section 190.05, subdivision 5a, clause (1); (ii) federally funded state active service as defined in section 190.05, subdivision 5b; or (iii) federal active service as defined in section 190.05, subdivision 5c, but "active service" excludes services performed exclusively for purposes of basic combat training, advanced individual training, annual training, and periodic inactive duty training; special training periodically made available to reserve members; and service performed in accordance with section 190.08, subdivision 3;

(12) to the extent included in federal taxable income, the amount of compensation paid to Minnesota residents who are members of the armed forces of the United States or United Nations for active duty performed outside Minnesota under United States Code, title 10, section 101(d); United States Code, title 32, section 101(12); or the authority of the United Nations;

(13) an amount, not to exceed \$10,000, equal to qualified expenses related to a qualified donor's donation, while living, of one or more of the qualified donor's organs to another person for human organ transplantation. For purposes of this clause, "organ" means all or part of an individual's liver, pancreas, kidney, intestine, lung, or bone marrow; "human organ transplantation" means the medical procedure by which transfer of a human organ is made from the body of one person to the body of another person; "qualified expenses" means unreimbursed expenses for both the individual and the qualified donor for (i) travel, (ii) lodging, and (iii) lost wages net of sick pay, except that such expenses may be subtracted under this clause only once; and "qualified donor" means the individual or the individual's dependent, as defined in section 152 of the Internal Revenue Code. An individual may claim the subtraction in this clause for each instance of organ donation for transplantation during the taxable year in which the qualified expenses occur;

(14) in each of the five tax years immediately following the tax year in which an addition is required under subdivision 19a, clause (8), or 19c, clause (15), in the case of a shareholder of a corporation that is an S corporation, an amount equal to one-fifth of the addition made by the taxpayer under subdivision 19a, clause (8), or 19c, clause (15), in the case of a shareholder of a corporation that is an S corporation, minus the positive value of any net operating loss under section 172 of the Internal Revenue Code generated for the tax year of the addition. If the net operating loss exceeds the addition for the tax year, a subtraction is not allowed under this clause;

(15) to the extent included in federal taxable income, compensation paid to a nonresident who is a service member as defined in United States Code, title 10, section 101(a)(5), for military service as defined in the Service Member Civil Relief Act, Public Law 108-189, section 101(2); ~~and~~

(16) international economic development zone income as provided under section 469.325-; and

(17) to the extent included in federal taxable income, social security benefits.

**EFFECTIVE DATE.** This section is effective for tax years beginning after December 31, 2008, for benefits received after June 30, 2009."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Erickson amendment and the roll was called. There were 44 yeas and 85 nays as follows:

Those who voted in the affirmative were:

Abeler	Dean	Finstad	Howes	Paulsen	Urdahl
Anderson, B.	DeLaForest	Garofalo	Kohls	Peppin	Wardlow
Anderson, S.	Demmer	Gottwalt	Lanning	Ruth	Westrom
Beard	Dettmer	Gunther	Magnus	Seifert	Zellers
Berns	Drazkowski	Hackbarth	McFarlane	Severson	
Brod	Eastlund	Hamilton	McNamara	Shimanski	
Buesgens	Emmer	Heidgerken	Nornes	Simpson	
Cornish	Erickson	Hoppe	Olson	Smith	

Those who voted in the negative were:

Anzelc	Eken	Johnson	Mariani	Peterson, A.	Thissen
Atkins	Erhardt	Juhnke	Marquart	Peterson, N.	Tillberry
Benson	Faust	Kahn	Masin	Peterson, S.	Tschumper
Bigham	Fritz	Kalin	Moe	Poppe	Wagenius
Bly	Gardner	Knuth	Morgan	Rukavina	Walker
Brown	Greiling	Koenen	Morrow	Ruud	Ward
Brynaert	Hansen	Laine	Mullery	Sailer	Welti
Bunn	Hausman	Lenczewski	Murphy, E.	Scalze	Winkler
Carlson	Haws	Lesch	Nelson	Sertich	Wollschlager
Clark	Hilstrom	Liebling	Norton	Simon	Spk. Kelliher
Davnie	Hilty	Lieder	Olin	Slawik	
Dill	Hortman	Lillie	Otremba	Slocum	
Dittrich	Hosch	Loeffler	Ozment	Solberg	
Dominguez	Huntley	Madore	Paymar	Swails	
Doty	Jaros	Mahoney	Pelowski	Thao	

The motion did not prevail and the amendment was not adopted.

Brod moved to amend H. F. No. 3149, the second engrossment, as amended, as follows:

Page 2, delete article 1 and insert:

"ARTICLE 1

HOMESTEAD PROPERTY TAX REFORM

Section 1. Minnesota Statutes 2006, section 273.1384, subdivision 1, is amended to read:

Subdivision 1. **Residential homestead market value credit.** Each county auditor shall determine a homestead credit for each class 1a, 1b, and 2a homestead property within the county equal to ~~0.4~~ 0.34 percent of the first \$76,000 of market value of the property minus .09 percent of the market value in excess of \$76,000. The credit amount may not be less than zero. In the case of an agricultural or resort homestead, only the market value of the house, garage, and immediately surrounding one acre of land is eligible in determining the property's homestead credit. In the case of a property that is classified as part homestead and part nonhomestead, (i) the credit shall apply only to the homestead portion of the property, but (ii) if a portion of a property is classified as nonhomestead solely because not all the owners occupy the property, not all the owners have qualifying relatives occupying the property, or solely because not all the spouses of owners occupy the property, the credit amount shall be initially computed as if that nonhomestead portion were also in the homestead class and then prorated to the owner-occupant's percentage of ownership. For the purpose of this section, when an owner-occupant's spouse does not occupy the property, the percentage of ownership for the owner-occupant spouse is one-half of the couple's ownership percentage.

**EFFECTIVE DATE.** This section is effective for taxes payable in 2009 and thereafter.

Sec. 2. Minnesota Statutes 2006, section 290A.04, subdivision 1, is amended to read:

Subdivision 1. **Refund.** A refund shall be allowed each claimant ~~in the amount that~~ based on the relationship between property taxes payable or rent constituting property taxes exceed the percentage of and the household income of the claimant specified in subdivision 2 or 2a in the year for which the taxes were levied or in the year in which the rent was paid as specified in subdivision 2 or 2a. ~~If the amount of property taxes payable or rent constituting property taxes is equal to or less than the percentage of the household income of the claimant specified in subdivision 2 or 2a in the year for which the taxes were levied or in the year in which the rent was paid, the claimant shall not be eligible for a state refund pursuant to this section.~~

**EFFECTIVE DATE.** This section is effective for claims filed in 2009 and thereafter based on property taxes payable in 2009 and thereafter.

Sec. 3. Minnesota Statutes 2006, section 290A.04, subdivision 2, is amended to read:

Subd. 2. **Homeowners.** (a) A claimant whose property taxes payable are in excess of the percentage of the household income stated below shall pay an amount is eligible for a refund equal to the excess property taxes payable times the percent of income paid by the state shown for the appropriate household income level along with the percent to be paid by the claimant of the remaining amount of property taxes payable. The state refund equals ~~the amount of property taxes payable that remain, up to the~~ under this paragraph must not exceed the maximum state refund amount shown below.

Household Income	Percent of Income	Percent Paid by <del>Claimant</del> State	Maximum State Refund
\$0 to 1,189	1.0 percent	<del>15</del> 85 percent	\$1,450
1,190 to 2,379	1.1 percent	<del>15</del> 85 percent	\$1,450
2,380 to 3,589	1.2 percent	<del>15</del> 85 percent	\$1,410
3,590 to 4,789	1.3 percent	<del>20</del> 80 percent	\$1,410
4,790 to 5,979	1.4 percent	<del>20</del> 80 percent	\$1,360
5,980 to 8,369	1.5 percent	<del>20</del> 80 percent	\$1,360
8,370 to 9,559	1.6 percent	<del>25</del> 75 percent	\$1,310
9,560 to 10,759	1.7 percent	<del>25</del> 75 percent	\$1,310
10,760 to 11,949	1.8 percent	<del>25</del> 75 percent	\$1,260
11,950 to 13,139	1.9 percent	<del>30</del> 70 percent	\$1,260
13,140 to 14,349	2.0 percent	<del>30</del> 70 percent	\$1,210
14,350 to 16,739	2.1 percent	<del>30</del> 70 percent	\$1,210
16,740 to 17,929	2.2 percent	<del>35</del> 65 percent	\$1,160
17,930 to 19,119	2.3 percent	<del>35</del> 65 percent	\$1,160
19,120 to 20,319	2.4 percent	<del>35</del> 65 percent	\$1,110
20,320 to 25,099	2.5 percent	<del>40</del> 60 percent	\$1,110
25,100 to 28,679	2.6 percent	<del>40</del> 60 percent	\$1,070
28,680 to 35,849	2.7 percent	<del>40</del> 60 percent	\$1,070
35,850 to 41,819	2.8 percent	<del>45</del> 55 percent	\$970
41,820 to 47,799	3.0 percent	<del>45</del> 55 percent	\$970
47,800 to 53,779	3.2 percent	<del>45</del> 55 percent	\$870
53,780 to 59,749	3.5 percent	50 percent	\$780
59,750 to 65,729	4.0 percent	50 percent	\$680
65,730 to 69,319	4.0 percent	50 percent	\$580
69,320 to 71,719	4.0 percent	50 percent	\$480
71,720 to 74,619	4.0 percent	50 percent	\$390
74,620 to 77,519	4.0 percent	50 percent	\$290

(b) A claimant shall be eligible for a refund equal to the amount that the claimant's property taxes payable, net of any refund determined under paragraph (a), exceed five percent of household income.

(c) A claimant's property tax refund shall be the sum of the refund amount determined under paragraph (a) and the refund amount determined under paragraph (b).

~~The payment made to a claimant shall be the amount of the state refund calculated under this subdivision.~~ (d) No payment is allowed if the claimant's household income is \$77,520 or more.

**EFFECTIVE DATE.** This section is effective for claims filed in 2009 and thereafter based on property taxes payable in 2009 and thereafter.

Sec. 4. **REPEALER.**

Minnesota Statutes 2006, section 290A.04, subdivision 2h, is repealed.

**EFFECTIVE DATE.** This section is effective for claims filed in 2009 and thereafter based on property taxes payable in 2009 and thereafter."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Brod amendment and the roll was called. There were 58 yeas and 71 nays as follows:

Those who voted in the affirmative were:

Abeler	Dean	Finstad	Hoppe	Paulsen	Slawik
Anderson, B.	DeLaForest	Fritz	Howes	Peppin	Smith
Anderson, S.	Demmer	Gardner	Kohls	Peterson, N.	Swails
Beard	Dettmer	Garofalo	Lanning	Ruth	Urdahl
Benson	Dittrich	Gottwalt	Magnus	Ruud	Wardlow
Berns	Drazkowski	Greiling	McFarlane	Scalze	Westrom
Brod	Eastlund	Gunther	McNamara	Seifert	Wollschlager
Buesgens	Emmer	Hackbarth	Nornes	Severson	Zellers
Bunn	Erhardt	Hamilton	Olson	Shimanski	
Cornish	Erickson	Heidgerken	Otremba	Simpson	

Those who voted in the negative were:

Anzelc	Eken	Kahn	Mahoney	Olin	Solberg
Atkins	Faust	Kalin	Mariani	Ozment	Thao
Bigham	Hansen	Knuth	Marquart	Paymar	Thissen
Bly	Haws	Koenen	Masin	Pelowski	Tillberry
Brown	Hilstrom	Laine	Moe	Peterson, A.	Tschumper
Brynaert	Hilty	Lenczewski	Morgan	Peterson, S.	Wagenius
Carlson	Hortman	Lesch	Morrow	Poppe	Walker
Clark	Hosch	Liebling	Mullery	Rukavina	Ward
Davnie	Huntley	Lieder	Murphy, E.	Sailer	Welti
Dill	Jaros	Lillie	Murphy, M.	Sertich	Winkler
Dominguez	Johnson	Loeffler	Nelson	Simon	Spk. Kelliher
Doty	Juhnke	Madore	Norton	Slocum	

The motion did not prevail and the amendment was not adopted.

Brod moved to amend H. F. No. 3149, the second engrossment, as amended, as follows:

Page 2, delete article 1 and insert:

#### "ARTICLE 1

#### HOMESTEAD PROPERTY TAX REFORM

Section 1. Minnesota Statutes 2006, section 273.1384, subdivision 1, is amended to read:

Subdivision 1. **Residential homestead market value credit.** Each county auditor shall determine a homestead credit for each class 1a, 1b, and 2a homestead property within the county equal to 0.4 percent of the first \$76,000 of market value of the property minus ~~09.096~~ percent of the market value in excess of \$76,000. The credit amount may not be less than zero. In the case of an agricultural or resort homestead, only the market value of the house, garage, and immediately surrounding one acre of land is eligible in determining the property's homestead credit. In the case of a property that is classified as part homestead and part nonhomestead, (i) the credit shall apply only to the homestead portion of the property, but (ii) if a portion of a property is classified as nonhomestead solely because not all the owners occupy the property, not all the owners have qualifying relatives occupying the property, or solely because not all the spouses of owners occupy the property, the credit amount shall be initially computed as if that

nonhomestead portion were also in the homestead class and then prorated to the owner-occupant's percentage of ownership. For the purpose of this section, when an owner-occupant's spouse does not occupy the property, the percentage of ownership for the owner-occupant spouse is one-half of the couple's ownership percentage.

**EFFECTIVE DATE.** This section is effective for taxes payable in 2009 and thereafter.

Sec. 2. Minnesota Statutes 2006, section 290A.04, subdivision 1, is amended to read:

Subdivision 1. **Refund.** A refund shall be allowed each claimant ~~in the amount that based on the relationship between~~ property taxes payable or rent constituting property taxes ~~exceed the percentage of and~~ the household income of the claimant ~~specified in subdivision 2 or 2a~~ in the year for which the taxes were levied or in the year in which the rent was paid as specified in subdivision 2 or 2a. ~~If the amount of property taxes payable or rent constituting property taxes is equal to or less than the percentage of the household income of the claimant specified in subdivision 2 or 2a in the year for which the taxes were levied or in the year in which the rent was paid, the claimant shall not be eligible for a state refund pursuant to this section.~~

**EFFECTIVE DATE.** This section is effective for claims filed in 2009 and thereafter based on property taxes payable in 2009 and thereafter.

Sec. 3. Minnesota Statutes 2006, section 290A.04, subdivision 2, is amended to read:

Subd. 2. **Homeowners.** (a) A claimant whose property taxes payable are in excess of the percentage of the household income stated below ~~shall pay an amount~~ is eligible for a refund equal to the excess property taxes payable times the percent of income paid by the state shown for the appropriate household income level ~~along with the percent to be paid by the claimant of the remaining amount of property taxes payable.~~ The state refund equals ~~the amount of property taxes payable that remain, up to the~~ under this paragraph must not exceed the maximum state refund amount shown below.

Household Income	Percent of Income	Percent Paid by <del>Claimant</del> State	Maximum State Refund
\$0 to 1,189	1.0 percent	<del>15</del> <u>85</u> percent	\$1,450
1,190 to 2,379	1.1 percent	<del>15</del> <u>85</u> percent	\$1,450
2,380 to 3,589	1.2 percent	<del>15</del> <u>85</u> percent	\$1,410
3,590 to 4,789	1.3 percent	<del>20</del> <u>80</u> percent	\$1,410
4,790 to 5,979	1.4 percent	<del>20</del> <u>80</u> percent	\$1,360
5,980 to 8,369	1.5 percent	<del>20</del> <u>80</u> percent	\$1,360
8,370 to 9,559	1.6 percent	<del>25</del> <u>75</u> percent	\$1,310
9,560 to 10,759	1.7 percent	<del>25</del> <u>75</u> percent	\$1,310
10,760 to 11,949	1.8 percent	<del>25</del> <u>75</u> percent	\$1,260
11,950 to 13,139	1.9 percent	<del>30</del> <u>70</u> percent	\$1,260
13,140 to 14,349	2.0 percent	<del>30</del> <u>70</u> percent	\$1,210
14,350 to 16,739	2.1 percent	<del>30</del> <u>70</u> percent	\$1,210
16,740 to 17,929	2.2 percent	<del>35</del> <u>65</u> percent	\$1,160
17,930 to 19,119	2.3 percent	<del>35</del> <u>65</u> percent	\$1,160
19,120 to 20,319	2.4 percent	<del>35</del> <u>65</u> percent	\$1,110
20,320 to 25,099	2.5 percent	<del>40</del> <u>60</u> percent	\$1,110
25,100 to 28,679	2.6 percent	<del>40</del> <u>60</u> percent	\$1,070
28,680 to 35,849	2.7 percent	<del>40</del> <u>60</u> percent	\$1,070
35,850 to 41,819	2.8 percent	<del>45</del> <u>55</u> percent	\$970
41,820 to 47,799	3.0 percent	<del>45</del> <u>55</u> percent	\$970

47,800 to 53,779	3.2 percent	45 <del>55</del> percent	\$870
53,780 to 59,749	3.5 percent	50 percent	\$780
59,750 to 65,729	4.0 percent	50 percent	\$680
65,730 to 69,319	4.0 percent	50 percent	\$580
69,320 to 71,719	4.0 percent	50 percent	\$480
71,720 to 74,619	4.0 percent	50 percent	\$390
74,620 to 77,519	4.0 percent	50 percent	\$290

(b) A claimant that has attained the age of 65 on or before December 31 of the year for which the taxes were levied shall be eligible for a refund equal to the amount that the claimant's property taxes payable, net of any refund determined under paragraph (a), exceeds five percent of household income.

(c) A claimant's property tax refund shall be the sum of the refund amount determined under paragraph (a) and the refund amount determined under paragraph (b).

~~The payment made to a claimant shall be the amount of the state refund calculated under this subdivision.~~

(d) No payment is allowed if the claimant's household income is \$77,520 or more.

**EFFECTIVE DATE.** This section is effective for claims filed in 2009 and thereafter based on property taxes payable in 2009 and thereafter.

Sec. 4. **REPEALER.**

Minnesota Statutes 2006, section 290A.04, subdivision 2h, is repealed.

**EFFECTIVE DATE.** This section is effective for claims filed in 2009 and thereafter based on property taxes payable in 2009 and thereafter."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Brod amendment and the roll was called. There were 55 yeas and 75 nays as follows:

Those who voted in the affirmative were:

Abeler	Dean	Finstad	Howes	Peppin	Urdahl
Anderson, B.	DeLaForest	Fritz	Kohls	Peterson, N.	Ward
Anderson, S.	Demmer	Gardner	Lanning	Ruth	Wardlow
Beard	Dettmer	Garofalo	Magnus	Scalze	Westrom
Benson	Dittrich	Gottwalt	McFarlane	Seifert	Zellers
Berns	Drazkowski	Gunther	McNamara	Severson	
Brod	Eastlund	Hackbarth	Nornes	Shimanski	
Buesgens	Emmer	Hamilton	Olson	Simpson	
Bunn	Erhardt	Heidgerken	Ozment	Slawik	
Cornish	Erickson	Hoppe	Paulsen	Smith	

Those who voted in the negative were:

Anzelc	Faust	Kahn	Mariani	Paymar	Thao
Atkins	Greiling	Kalin	Marquart	Pelowski	Thissen
Bigham	Hansen	Knuth	Masin	Peterson, A.	Tillberry
Bly	Hausman	Koenen	Moe	Peterson, S.	Tschumper
Brown	Haws	Laine	Morgan	Poppe	Wagenius
Brynaert	Hilstrom	Lenczewski	Morrow	Rukavina	Walker
Carlson	Hilty	Lesch	Mullery	Ruud	Welti
Clark	Hortman	Liebling	Murphy, E.	Sailer	Winkler
Davnie	Hosch	Lieder	Murphy, M.	Sertich	Wollschlager
Dill	Huntley	Lillie	Nelson	Simon	Spk. Kelliher
Dominguez	Jaros	Loeffler	Norton	Slocum	
Doty	Johnson	Madore	Olin	Solberg	
Eken	Juhnke	Mahoney	Otremba	Swails	

The motion did not prevail and the amendment was not adopted.

Emmer moved to amend H. F. No. 3149, the second engrossment, as amended, as follows:

Page 69, line 21, strike "it" and insert "any portion of the property is used for agricultural purposes as defined in section 273.13, subdivision 23, paragraph (e), and the property produces an agricultural product as defined in section 273.13, subdivision 23, paragraph (i)."

Page 69, line 22, reinstate the stricken "and either"

A roll call was requested and properly seconded.

The question was taken on the Emmer amendment and the roll was called. There were 49 yeas and 81 nays as follows:

Those who voted in the affirmative were:

Abeler	DeLaForest	Finstad	Kalin	Paulsen	Urdahl
Anderson, B.	Demmer	Garofalo	Kohls	Peppin	Wardlow
Anderson, S.	Dettmer	Gottwalt	Lanning	Peterson, N.	Westrom
Beard	Doty	Gunther	Magnus	Ruth	Zellers
Berns	Drazkowski	Hackbarth	McFarlane	Seifert	
Brod	Eastlund	Hamilton	McNamara	Severson	
Buesgens	Emmer	Heidgerken	Nornes	Shimanski	
Cornish	Erhardt	Hoppe	Olson	Simpson	
Dean	Erickson	Howes	Otremba	Smith	

Those who voted in the negative were:

Anzelc	Brynaert	Dittrich	Greiling	Hornstein	Juhnke
Atkins	Bunn	Dominguez	Hansen	Hortman	Kahn
Benson	Carlson	Eken	Hausman	Hosch	Knuth
Bigham	Clark	Faust	Haws	Huntley	Koenen
Bly	Davnie	Fritz	Hilstrom	Jaros	Laine
Brown	Dill	Gardner	Hilty	Johnson	Lenczewski

Lesch	Marquart	Nelson	Rukavina	Solberg	Ward
Liebling	Masin	Norton	Ruud	Swails	Welti
Lieder	Moe	Olin	Sailer	Thao	Winkler
Lillie	Morgan	Paymar	Scalze	Thissen	Wollschlager
Loeffler	Morrow	Pelowski	Sertich	Tillberry	Spk. Kelliher
Madore	Mullery	Peterson, A.	Simon	Tschumper	
Mahoney	Murphy, E.	Peterson, S.	Slawik	Wagenius	
Mariani	Murphy, M.	Poppe	Slocum	Walker	

The motion did not prevail and the amendment was not adopted.

Erhardt moved to amend H. F. No. 3149, the second engrossment, as amended, as follows:

Page 2, delete article 1 and insert:

"ARTICLE 1

HOMEOWNER PROPERTY TAX REFUND

Section 1. Minnesota Statutes 2006, section 273.1384, subdivision 1, is amended to read:

Subdivision 1. **Residential homestead market value credit.** (a) Each county auditor shall determine a homestead credit for each class 1a, 1b, and 2a homestead property within the county equal to 0.4 percent of the first \$76,000 of market value of the property minus .09 percent of the market value in excess of \$76,000. The credit amount may not be less than zero. In the case of an agricultural or resort homestead, only the market value of the house, garage, and immediately surrounding one acre of land is eligible in determining the property's homestead credit. In the case of a property that is classified as part homestead and part nonhomestead, (i) the credit shall apply only to the homestead portion of the property, but (ii) if a portion of a property is classified as nonhomestead solely because not all the owners occupy the property, not all the owners have qualifying relatives occupying the property, or solely because not all the spouses of owners occupy the property, the credit amount shall be initially computed as if that nonhomestead portion were also in the homestead class and then prorated to the owner-occupant's percentage of ownership. For the purpose of this section, when an owner-occupant's spouse does not occupy the property, the percentage of ownership for the owner-occupant spouse is one-half of the couple's ownership percentage.

(b) For property taxes payable in 2009 and thereafter, no credit is allowed.

**EFFECTIVE DATE.** This section is effective beginning for property taxes payable in 2009.

Sec. 2. Minnesota Statutes 2006, section 276.04, subdivision 2, as amended by Laws 2008, chapter 154, article 2, section 19, is amended to read:

Subd. 2. **Contents of tax statements.** (a) The treasurer shall provide for the printing of the tax statements. The commissioner of revenue shall prescribe the form of the property tax statement and its contents. The statement must contain a tabulated statement of the dollar amount due to each taxing authority and the amount of the state tax from the parcel of real property for which a particular tax statement is prepared. The dollar amounts attributable to the county, the state tax, the voter approved school tax, the other local school tax, the township or municipality, and the total of the metropolitan special taxing districts as defined in section 275.065, subdivision 3, paragraph (i), must be separately stated. The amounts due all other special taxing districts, if any, may be aggregated except that any levies made by the regional rail authorities in the county of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, or Washington under chapter 398A shall be listed on a separate line directly under the appropriate county's levy. If the

county levy under this paragraph includes an amount for a lake improvement district as defined under sections 103B.501 to 103B.581, the amount attributable for that purpose must be separately stated from the remaining county levy amount. In the case of Ramsey County, if the county levy under this paragraph includes an amount for public library service under section 134.07, the amount attributable for that purpose may be separated from the remaining county levy amount. The amount of the tax on homesteads qualifying under the senior citizens' property tax deferral program under chapter 290B is the total amount of property tax before subtraction of the deferred property tax amount. The amount of the tax on contamination value imposed under sections 270.91 to 270.98, if any, must also be separately stated. The dollar amounts, including the dollar amount of any special assessments, may be rounded to the nearest even whole dollar. For purposes of this section whole odd-numbered dollars may be adjusted to the next higher even-numbered dollar. The amount of market value excluded under section 273.11, subdivision 16, if any, must also be listed on the tax statement.

(b) The property tax statements for manufactured homes and sectional structures taxed as personal property shall contain the same information that is required on the tax statements for real property.

(c) Real and personal property tax statements must contain the following information in the order given in this paragraph. The information must contain the current year tax information in the right column with the corresponding information for the previous year in a column on the left:

- (1) the property's estimated market value under section 273.11, subdivision 1;
- (2) the property's taxable market value after reductions under section 273.11, subdivisions 1a and 16; and
- (3) ~~the property's gross tax, before credits;~~
- (4) ~~for homestead residential and agricultural properties, the credits under section 273.1384;~~
- (5) ~~any credits received under sections 273.119; 273.123; 273.135; 273.1391; 273.1398, subdivision 4; 469.171; and 473H.10, except that the amount of credit received under section 273.135 must be separately stated and identified as "taconite tax relief"; and~~
- (6) the net tax payable in the manner required in paragraph (a).

(d) If the county uses envelopes for mailing property tax statements and if the county agrees, a taxing district may include a notice with the property tax statement notifying taxpayers when the taxing district will begin its budget deliberations for the current year, and encouraging taxpayers to attend the hearings. If the county allows notices to be included in the envelope containing the property tax statement, and if more than one taxing district relative to a given property decides to include a notice with the tax statement, the county treasurer or auditor must coordinate the process and may combine the information on a single announcement.

**EFFECTIVE DATE.** This section is effective for taxes payable in 2009 and thereafter.

Sec. 3. Minnesota Statutes 2006, section 290A.04, subdivision 2, is amended to read:

Subd. 2. **Homeowners.** A claimant whose property taxes payable are in excess of the percentage of the household income stated below shall pay an amount equal to the percent of income shown for the appropriate household income level along with the percent to be paid by the claimant of the remaining amount of property taxes payable. The state refund equals the amount of property taxes payable that remain, up to the state refund amount shown below.

Household Income	Percent of Income	Percent Paid by Claimant	Maximum State Refund
\$0 to <del>1,189</del> <u>\$5,399</u>	<del>1.0</del> <u>2.0</u> percent	<del>15</del> <u>10</u> percent	<del>\$1,450</del> <u>\$2,500</u>
<del>1,190 to 2,379</del> <u>\$5,400 to \$18,899</u>	<del>1.1</del> <u>2.0</u> percent	15 percent	<del>\$1,450</del> <u>\$2,500</u>
<del>2,380 to 3,589</del> <u>\$18,900 to \$26,999</u>	<del>1.2</del> <u>2.0</u> percent	<del>15</del> <u>30</u> percent	<del>\$1,410</del> <u>\$2,500</u>
<del>3,590 to 4,789</del> <u>\$27,000 to \$45,899</u>	<del>1.3</del> <u>2.0</u> percent	<del>20</del> <u>40</u> percent	<del>\$1,410</del> <u>\$2,500</u>
<del>4,790 to 5,979</del> <u>\$45,900 to \$64,699</u>	<del>1.4</del> <u>2.0</u> percent	<del>20</del> <u>45</u> percent	<del>\$1,360</del> <u>\$2,500</u>
<del>5,980 to 8,369</del> <u>\$64,700 to \$74,209</u>	<del>1.5</del> <u>2.0</u> percent	<del>20</del> <u>50</u> percent	<del>\$1,360</del> <u>\$2,500</u>
<del>8,370 to 9,559</del> <u>\$74,210 to \$81,639</u>	<del>1.6</del> <u>2.0</u> percent	<del>25</del> <u>50</u> percent	<del>\$1,310</del> <u>\$2,000</u>
<del>9,560 to 10,759</del> <u>\$81,640 to \$86,089</u>	<del>1.7</del> <u>2.0</u> percent	<del>25</del> <u>50</u> percent	<del>\$1,310</del> <u>\$1,500</u>
<del>10,760 to 11,949</del> <u>\$86,090 to \$89,069</u>	<del>1.8</del> <u>2.0</u> percent	<del>25</del> <u>50</u> percent	<del>\$1,260</del> <u>\$1,000</u>
<del>11,950 to 13,139</del> <u>\$89,070 to \$92,679</u>	<del>1.9</del> <u>2.0</u> percent	<del>30</del> <u>50</u> percent	<del>\$1,260</del> <u>\$500</u>
<del>13,140 to 14,349</del> <u>\$92,680 to \$96,279</u>	2.0 percent	<del>30</del> <u>50</u> percent	<del>\$1,210</del> <u>\$250</u>
<del>14,350 to 16,739</del>	<del>2.1</del> percent	<del>30</del> percent	<del>\$1,210</del>
<del>16,740 to 17,929</del>	<del>2.2</del> percent	<del>35</del> percent	<del>\$1,160</del>
<del>17,930 to 19,119</del>	<del>2.3</del> percent	<del>35</del> percent	<del>\$1,160</del>
<del>19,120 to 20,319</del>	<del>2.4</del> percent	<del>35</del> percent	<del>\$1,110</del>
<del>20,320 to 25,099</del>	<del>2.5</del> percent	<del>40</del> percent	<del>\$1,110</del>
<del>25,100 to 28,679</del>	<del>2.6</del> percent	<del>40</del> percent	<del>\$1,070</del>
<del>28,680 to 35,849</del>	<del>2.7</del> percent	<del>40</del> percent	<del>\$1,070</del>
<del>35,850 to 41,819</del>	<del>2.8</del> percent	<del>45</del> percent	<del>\$970</del>
<del>41,820 to 47,799</del>	<del>3.0</del> percent	<del>45</del> percent	<del>\$970</del>
<del>47,800 to 53,779</del>	<del>3.2</del> percent	<del>45</del> percent	<del>\$870</del>
<del>53,780 to 59,749</del>	<del>3.5</del> percent	<del>50</del> percent	<del>\$780</del>
<del>59,750 to 65,729</del>	<del>4.0</del> percent	<del>50</del> percent	<del>\$680</del>
<del>65,730 to 69,319</del>	<del>4.0</del> percent	<del>50</del> percent	<del>\$580</del>
<del>69,320 to 71,719</del>	<del>4.0</del> percent	<del>50</del> percent	<del>\$480</del>
<del>71,720 to 74,619</del>	<del>4.0</del> percent	<del>50</del> percent	<del>\$390</del>
<del>74,620 to 77,519</del>	<del>4.0</del> percent	<del>50</del> percent	<del>\$290</del>

The payment made to a claimant shall be the amount of the state refund calculated under this subdivision. No payment is allowed if the claimant's household income is ~~\$77,520~~ \$96,280 or more.

Sec. 4. Minnesota Statutes 2006, section 290A.04, subdivision 2h, is amended to read:

Subd. 2h. **Additional refund.** (a) If the gross property taxes payable on a homestead increase more than 12 percent over the property taxes payable in the prior year on the same property that is owned and occupied by the same owner on January 2 of both years, and the amount of that increase is \$100 or more, a claimant who is a homeowner shall be allowed an additional refund equal to 60 percent of the amount of the increase over the greater of 12 percent of the prior year's property taxes payable or \$100. This subdivision shall not apply to any increase in the gross property taxes payable attributable to improvements made to the homestead after the assessment date for the prior year's taxes. This subdivision shall not apply to any increase in the gross property taxes payable attributable to the termination of valuation exclusions under section 273.11, subdivision 16, or to the elimination of the homestead market value credit under section 273.1384, subdivision 1, paragraph (b).

The maximum refund allowed under this subdivision is \$1,000.

(b) For purposes of this subdivision "gross property taxes payable" means property taxes payable determined without regard to the refund allowed under this subdivision.

(c) In addition to the other proofs required by this chapter, each claimant under this subdivision shall file with the property tax refund return a copy of the property tax statement for taxes payable in the preceding year or other documents required by the commissioner.

(d) Upon request, the appropriate county official shall make available the names and addresses of the property taxpayers who may be eligible for the additional property tax refund under this section. The information shall be provided on a magnetic computer disk. The county may recover its costs by charging the person requesting the information the reasonable cost for preparing the data. The information may not be used for any purpose other than for notifying the homeowner of potential eligibility and assisting the homeowner, without charge, in preparing a refund claim.

**EFFECTIVE DATE.** This section is effective for claims based on property taxes payable in 2009 and thereafter.

Sec. 5. Minnesota Statutes 2006, section 290A.04, subdivision 3, is amended to read:

Subd. 3. **Table.** The commissioner of revenue shall construct and make available to taxpayers a comprehensive table showing the ~~property taxes to be paid and~~ refund allowed at various levels of income ~~and assessment~~. The table shall follow the schedule of income percentages, maximums and other provisions specified in ~~subdivision 2~~ this section, except that the commissioner may graduate the transition between income brackets. All refunds shall be computed in accordance with tables prepared and issued by the commissioner of revenue.

The commissioner shall include on the form an appropriate space or method for the claimant to identify if the property taxes paid are for a manufactured home, as defined in section 273.125, subdivision 8, paragraph (c), or a park trailer taxed as a manufactured home under section 168.012, subdivision 9.

Sec. 6. Minnesota Statutes 2006, section 290A.04, subdivision 4, is amended to read:

Subd. 4. **Inflation adjustment.** (a) Beginning for property tax refunds payable in calendar year 2002 2010, the commissioner shall annually adjust the dollar amounts of the income thresholds and the maximum refunds under subdivisions 2 and 2a subdivision 2 for inflation. The commissioner shall make the inflation adjustments in accordance with section 1(f) of the Internal Revenue Code, except that for purposes of this subdivision the percentage increase shall be determined from the year ending on June 30, 2000 2008, to the year ending on June 30 of the year preceding that in which the refund is payable. The commissioner shall use the appropriate percentage increase to annually adjust the income thresholds and maximum refunds under subdivisions 2 and 2a subdivision 2 for inflation without regard to whether or not the income tax brackets are adjusted for inflation in that year. The commissioner shall round the thresholds and the maximum amounts, as adjusted to the nearest \$10 amount. If the amount ends in \$5, the commissioner shall round it up to the next \$10 amount.

The commissioner shall annually announce the adjusted refund schedule at the same time provided under section 290.06. The determination of the commissioner under this subdivision is not a rule under the Administrative Procedure Act.

(b) Beginning for property tax refunds payable in calendar year 2002, the commissioner shall annually adjust the dollar amounts of the income thresholds and the maximum refunds under subdivision 2a for inflation. The commissioner shall make the inflation adjustments in accordance with section 1(f) of the Internal Revenue Code, except that for purposes of this subdivision the percentage increase shall be determined from the year ending on June 30, 2000, to the year ending on June 30 of the year preceding that in which the refund is payable. The commissioner shall use the appropriate percentage increase to annually adjust the income thresholds and maximum refunds under subdivision 2a for inflation without regard to whether or not the income tax brackets are adjusted for inflation in that year. The commissioner shall round the thresholds and the maximum amounts, as adjusted to the

nearest \$10 amount. If the amount ends in \$5, the commissioner shall round it up to the next \$10 amount. The commissioner shall annually announce the adjusted refund schedule at the same time provided under section 290.06. The determination of the commissioner under this subdivision is not a rule under the Administrative Procedure Act.

**EFFECTIVE DATE.** This section is effective beginning for claims based on property taxes payable in 2010.

Sec. 7. **REPEALER.**

Minnesota Statutes 2006, section 290A.04, subdivision 2b, is repealed.

**EFFECTIVE DATE.** This section is effective for claims based on property taxes payable in 2009 and thereafter."

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Erhardt amendment and the roll was called. There were 44 yeas and 87 nays as follows:

Those who voted in the affirmative were:

Abeler	Dean	Erickson	Kohls	Peterson, N.	Urdahl
Anderson, B.	DeLaForest	Garofalo	Lanning	Ruth	Wardlow
Anderson, S.	Demmer	Gottwalt	McFarlane	Scalze	Westrom
Beard	Dettmer	Gunther	McNamara	Seifert	Zellers
Berns	Drazkowski	Hackbarth	Nornes	Severson	
Brod	Eastlund	Hamilton	Olson	Shimanski	
Buesgens	Emmer	Hoppe	Paulsen	Simpson	
Cornish	Erhardt	Howes	Peppin	Smith	

Those who voted in the negative were:

Anzelc	Eken	Huntley	Madore	Otremba	Swails
Atkins	Faust	Jaros	Magnus	Ozment	Thao
Benson	Finstad	Johnson	Mahoney	Paymar	Thissen
Bigham	Fritz	Juhnke	Mariani	Pelowski	Tillberry
Bly	Gardner	Kahn	Marquart	Peterson, A.	Tschumper
Brown	Greiling	Kalin	Masin	Peterson, S.	Wagenius
Brynaert	Hansen	Knuth	Moe	Poppe	Walker
Bunn	Hausman	Koenen	Morgan	Rukavina	Ward
Carlson	Haws	Laine	Morrow	Ruud	Welti
Clark	Heidgerken	Lenczewski	Mullery	Sailer	Winkler
Davnie	Hilstrom	Lesch	Murphy, E.	Sertich	Wollschlager
Dill	Hilty	Liebling	Murphy, M.	Simon	Spk. Kelliher
Dittrich	Hornstein	Lieder	Nelson	Slawik	
Dominguez	Hortman	Lillie	Norton	Slocum	
Doty	Hosch	Loeffler	Olin	Solberg	

The motion did not prevail and the amendment was not adopted.

Emmer moved to amend H. F. No. 3149, the second engrossment, as amended, as follows:

Page 226, after line 28, insert:

"Sec. 4. **[270C.444] EXEMPT ORGANIZATION; SANCTIONS.**

**Subdivision 1. Disqualification of organization.** An organization does not qualify for the exemptions from taxation under subdivision 2 if an officer, director, or key employee is convicted of a terrorism offense. The denial of exemption applies for the time period specified in subdivision 3.

**Subd. 2. Exemptions covered.** This section applies to the following exemptions from taxation:

(1) exemption from chapter 290 taxation under section 290.05;

(2) exemption from sales taxation under section 297A.70, subdivision 4; and

(3) exemption of property owned or used by the organization from property taxation under section 272.02.

**Subd. 3. Disqualification period.** An organization is disqualified for a period of time equal to the same length of time, rounded to the nearest whole year, the officer, director, or key employee, who was convicted of a terrorism offense, served as an officer, director, or key employee for the organization. The period begins with the first property taxes payable year, for taxable years beginning during, and for sales occurring during the first calendar year starting after the date when the conviction of the terrorism offense became final.

**Subd. 4. Definitions.** (a) For purposes of this section, the following terms have the meanings given them.

(b) "Director" means any individual serving on the board of directors or other governing body of the organization.

(c) "Officer" or "key employee" means any officer or employee of the organization whose compensation is required to be listed on the Internal Revenue Service Form 990.

(d) "Organization" includes a corporation, partnership, limited partnership, limited liability company, joint venture, cooperative, association, trust, wherever incorporated, organized or registered, if the entity is organized on a nonprofit basis.

(e) "Terrorism offense" means any offense involving, or intending to promote, a "federal crime of terrorism," as that term is defined in title 18, United States Code, section 2332b(g)(5), or a comparable provision of Minnesota or another state's law.

**Subd. 5. Commissioner's duties.** The commissioner shall administer and enforce the provisions of this section. If the commissioner determines an organization is disqualified under this section, the commissioner shall promptly notify assessors and other appropriate property tax administrators in the state.

**EFFECTIVE DATE.** This section is effective the day following final enactment."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Emmer amendment and the roll was called. There were 64 yeas and 66 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	DeLaForest	Garofalo	Lanning	Paymar	Simpson
Anderson, S.	Demmer	Gottwalt	Lesch	Peppin	Slawik
Beard	Dettmer	Gunther	Magnus	Peterson, N.	Smith
Berns	Dill	Hackbarth	McFarlane	Peterson, S.	Swails
Bigham	Dittrich	Hamilton	McNamara	Poppe	Urdahl
Brod	Drazkowski	Heidgerken	Morgan	Ruth	Wardlow
Brown	Eastlund	Hoppe	Nornes	Ruud	Welti
Buesgens	Emmer	Hosch	Norton	Scalze	Westrom
Bunn	Erhardt	Howes	Olson	Seifert	Zellers
Cornish	Erickson	Knuth	Ozment	Severson	
Dean	Finstad	Kohls	Paulsen	Shimanski	

Those who voted in the negative were:

Abeler	Eken	Huntley	Lillie	Murphy, M.	Solberg
Anzelc	Faust	Jaros	Loeffler	Nelson	Thao
Atkins	Fritz	Johnson	Madore	Olin	Thissen
Benson	Gardner	Juhnke	Mahoney	Otremba	Tillberry
Bly	Greiling	Kahn	Mariani	Pelowski	Tschumper
Brynaert	Hansen	Kalin	Marquart	Peterson, A.	Wagenius
Carlson	Hausman	Koenen	Masin	Rukavina	Walker
Clark	Haws	Laine	Moe	Sailer	Ward
Davnie	Hilstrom	Lenczewski	Morrow	Sertich	Winkler
Dominguez	Hilty	Liebling	Mullery	Simon	Wollschlager
Doty	Hortman	Lieder	Murphy, E.	Slocum	Spk. Kelliher

The motion did not prevail and the amendment was not adopted.

Drazkowski moved to amend H. F. No. 3149, the second engrossment, as amended, as follows:

Page 138, after line 7, insert:

"Section 1. Minnesota Statutes 2006, section 297A.68, subdivision 19, is amended to read:

Subd. 19. **Petroleum products.** The following petroleum products are exempt:

(1) products upon which a tax has been imposed and paid under chapter 296A, and for which no refund has been or will be allowed because the buyer used the fuel for nonhighway use;

(2) products that are used in the improvement of agricultural land by constructing, maintaining, and repairing drainage ditches, tile drainage systems, grass waterways, water impoundment, and other erosion control structures;

(3) products purchased by a transit system receiving financial assistance under section 174.24, 256B.0625, subdivision 17, or 473.384;

(4) products purchased by an ambulance service licensed under chapter 144E;

(5) products used in a passenger snowmobile, as defined in section 296A.01, subdivision 39, for off-highway business use as part of the operations of a resort as provided under section 296A.16, subdivision 2, clause (2); ~~or~~

(6) products purchased by a state or a political subdivision of a state for use in motor vehicles exempt from registration under section 168.012, subdivision 1, paragraph (b); or

(7) products used in a school bus for pupil transportation, if eligible for a refund under section 296A.16, subdivision 4c.

**EFFECTIVE DATE.** This section is effective for sales and purchases made after June 30, 2008."

Page 160, after line 17, insert:

"Sec. 9. Minnesota Statutes 2006, section 296A.16, is amended by adding a subdivision to read:

Subd. 4c. **School bus transport; refunds.** (a) Any person who buys and uses gasoline or special fuel for a qualifying purpose under this subdivision and who paid the tax directly or indirectly through the tax being included in the price of the gasoline or special fuel, or otherwise, shall be reimbursed and repaid the amount of the tax upon filing with the commissioner a claim for refund. The claim shall be in the form and manner prescribed by the commissioner and contain the information the commissioner requires. By signing any such claim which is false or fraudulent, the applicant shall be subjects to the penalties provided in this chapter for knowingly making a false claim.

(b) A qualifying use under this subdivision is motor fuel used in a school bus, as defined in section 169.01, subdivision 6, when:

(1) a school district, intermediate school district, charter school, or a nonpublic school whose instructors meet the requirements under section 120A.22, subdivision 10, clause (4), uses the school bus for pupil transportation under section 123.88, subdivision 1; or

(2) an organization uses the school bus for pupil transportation by contract under section 123B.52, subdivision 3.

**EFFECTIVE DATE.** This section is effective for sales and purchases made after June 30, 2008."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Drazkowski amendment and the roll was called. There were 46 yeas and 84 nays as follows:

Those who voted in the affirmative were:

Abeler	Brod	Demmer	Erickson	Hamilton	Howes
Anderson, B.	Buesgens	Dettmer	Garofalo	Haws	Kohls
Anderson, S.	Cornish	Drazkowski	Gottwalt	Heidgerken	Lanning
Beard	Dean	Eastlund	Gunther	Hoppe	Magnus
Berns	DeLaForest	Emmer	Hackbarth	Hosch	McFarlane

McNamara	Ozment	Ruth	Shimanski	Urdahl	Zellers
Nornes	Paulsen	Seifert	Simpson	Wardlow	
Olson	Peppin	Severson	Smith	Westrom	

Those who voted in the negative were:

Anzelc	Doty	Jaros	Madore	Otremba	Slocum
Atkins	Eken	Johnson	Mahoney	Paymar	Solberg
Benson	Faust	Juhnke	Mariani	Pelowski	Swails
Bigham	Finstad	Kahn	Marquart	Peterson, A.	Thao
Bly	Fritz	Kalin	Masin	Peterson, N.	Thissen
Brown	Gardner	Knuth	Moe	Peterson, S.	Tillberry
Brynaert	Greiling	Koenen	Morgan	Poppe	Tschumper
Bunn	Hansen	Laine	Morrow	Rukavina	Wagenius
Carlson	Hausman	Lenczewski	Mullery	Ruud	Walker
Clark	Hilstrom	Lesch	Murphy, E.	Sailer	Ward
Davnie	Hilty	Liebling	Murphy, M.	Scalze	Welti
Dill	Hornstein	Lieder	Nelson	Sertich	Winkler
Dittrich	Hortman	Lillie	Norton	Simon	Wollschlager
Dominguez	Huntley	Loeffler	Olin	Slawik	Spk. Kelliher

The motion did not prevail and the amendment was not adopted.

Winkler was excused between the hours of 10:10 p.m. and 10:20 p.m.

Dean moved to amend H. F. No. 3149, the second engrossment, as amended, as follows:

Page 28, after line 3, insert:

"Sec. 5. Minnesota Statutes 2007 Supplement, section 290.01, subdivision 19b, as amended by Laws 2008, chapter 154, article 3, section 3, and Laws 2008, chapter 154, article 11, section 11, is amended to read:

Subd. 19b. **Subtractions from federal taxable income.** For individuals, estates, and trusts, there shall be subtracted from federal taxable income:

(1) net interest income on obligations of any authority, commission, or instrumentality of the United States to the extent includable in taxable income for federal income tax purposes but exempt from state income tax under the laws of the United States;

(2) if included in federal taxable income, the amount of any overpayment of income tax to Minnesota or to any other state, for any previous taxable year, whether the amount is received as a refund or as a credit to another taxable year's income tax liability;

(3) the amount paid to others, less the amount used to claim the credit allowed under section 290.0674, not to exceed \$1,625 for each qualifying child in grades kindergarten to 6 and \$2,500 for each qualifying child in grades 7 to 12, for tuition, textbooks, and transportation of each qualifying child in attending an elementary or secondary school situated in Minnesota, North Dakota, South Dakota, Iowa, or Wisconsin, wherein a resident of this state may legally fulfill the state's compulsory attendance laws, which is not operated for profit, and which adheres to the provisions of the Civil Rights Act of 1964 and chapter 363A. For the purposes of this clause, "tuition" includes fees or tuition as defined in section 290.0674, subdivision 1, clause (1). As used in this clause, "textbooks" includes

books and other instructional materials and equipment purchased or leased for use in elementary and secondary schools in teaching only those subjects legally and commonly taught in public elementary and secondary schools in this state. Equipment expenses qualifying for deduction includes expenses as defined and limited in section 290.0674, subdivision 1, clause (3). "Textbooks" does not include instructional books and materials used in the teaching of religious tenets, doctrines, or worship, the purpose of which is to instill such tenets, doctrines, or worship, nor does it include books or materials for, or transportation to, extracurricular activities including sporting events, musical or dramatic events, speech activities, driver's education, or similar programs. For purposes of the subtraction provided by this clause, "qualifying child" has the meaning given in section 32(c)(3) of the Internal Revenue Code;

(4) income as provided under section 290.0802;

(5) to the extent included in federal adjusted gross income, income realized on disposition of property exempt from tax under section 290.491;

(6) to the extent not deducted or not deductible pursuant to section 408(d)(8)(E) of the Internal Revenue Code in determining federal taxable income by an individual who does not itemize deductions for federal income tax purposes for the taxable year, an amount equal to 50 percent of the excess of charitable contributions over \$500 allowable as a deduction for the taxable year under section 170(a) of the Internal Revenue Code and under the provisions of Public Law 109-1;

(7) for taxable years beginning before January 1, 2008, the amount of the federal small ethanol producer credit allowed under section 40(a)(3) of the Internal Revenue Code which is included in gross income under section 87 of the Internal Revenue Code;

(8) for individuals who are allowed a federal foreign tax credit for taxes that do not qualify for a credit under section 290.06, subdivision 22, an amount equal to the carryover of subnational foreign taxes for the taxable year, but not to exceed the total subnational foreign taxes reported in claiming the foreign tax credit. For purposes of this clause, "federal foreign tax credit" means the credit allowed under section 27 of the Internal Revenue Code, and "carryover of subnational foreign taxes" equals the carryover allowed under section 904(c) of the Internal Revenue Code minus national level foreign taxes to the extent they exceed the federal foreign tax credit;

(9) in each of the five tax years immediately following the tax year in which an addition is required under subdivision 19a, clause (7), or 19c, clause (14), in the case of a shareholder of a corporation that is an S corporation, an amount equal to one-fifth of the delayed depreciation. For purposes of this clause, "delayed depreciation" means the amount of the addition made by the taxpayer under subdivision 19a, clause (7), or subdivision 19c, clause (14), in the case of a shareholder of an S corporation, minus the positive value of any net operating loss under section 172 of the Internal Revenue Code generated for the tax year of the addition. The resulting delayed depreciation cannot be less than zero;

(10) job opportunity building zone income as provided under section 469.316;

(11) to the extent included in federal taxable income, the amount of compensation paid to members of the Minnesota National Guard or other reserve components of the United States military for active service performed in Minnesota, excluding compensation for services performed under the Active Guard Reserve (AGR) program. For purposes of this clause, "active service" means (i) state active service as defined in section 190.05, subdivision 5a, clause (1); (ii) federally funded state active service as defined in section 190.05, subdivision 5b; or (iii) federal active service as defined in section 190.05, subdivision 5c, but "active service" excludes services performed exclusively for purposes of basic combat training, advanced individual training, annual training, and periodic inactive duty training; special training periodically made available to reserve members; and service performed in accordance with section 190.08, subdivision 3;

(12) to the extent included in federal taxable income, the amount of compensation paid to Minnesota residents who are members of the armed forces of the United States or United Nations for active duty performed outside Minnesota under United States Code, title 10, section 101(d); United States Code, title 32, section 101(12); or the authority of the United Nations;

(13) an amount, not to exceed \$10,000, equal to qualified expenses related to a qualified donor's donation, while living, of one or more of the qualified donor's organs to another person for human organ transplantation. For purposes of this clause, "organ" means all or part of an individual's liver, pancreas, kidney, intestine, lung, or bone marrow; "human organ transplantation" means the medical procedure by which transfer of a human organ is made from the body of one person to the body of another person; "qualified expenses" means unreimbursed expenses for both the individual and the qualified donor for (i) travel, (ii) lodging, and (iii) lost wages net of sick pay, except that such expenses may be subtracted under this clause only once; and "qualified donor" means the individual or the individual's dependent, as defined in section 152 of the Internal Revenue Code. An individual may claim the subtraction in this clause for each instance of organ donation for transplantation during the taxable year in which the qualified expenses occur;

(14) in each of the five tax years immediately following the tax year in which an addition is required under subdivision 19a, clause (8), or 19c, clause (15), in the case of a shareholder of a corporation that is an S corporation, an amount equal to one-fifth of the addition made by the taxpayer under subdivision 19a, clause (8), or 19c, clause (15), in the case of a shareholder of a corporation that is an S corporation, minus the positive value of any net operating loss under section 172 of the Internal Revenue Code generated for the tax year of the addition. If the net operating loss exceeds the addition for the tax year, a subtraction is not allowed under this clause;

(15) to the extent included in federal taxable income, compensation paid to a nonresident who is a service member as defined in United States Code, title 10, section 101(a)(5), for military service as defined in the Service Member Civil Relief Act, Public Law 108-189, section 101(2); ~~and~~

(16) international economic development zone income as provided under section 469.325-; and

(17) to the extent not deducted in computing or otherwise excluded from federal taxable income or used to compute the credit under section 290.0672 or section 290.0678, amounts paid during the taxable year for insurance as defined in section 213(d)(1)(D) of the Internal Revenue Code.

**EFFECTIVE DATE.** This section is effective for taxable years beginning after December 31, 2009."

Page 31, after line 35, insert:

"Sec. 9. Minnesota Statutes 2006, section 290.0672, subdivision 2, is amended to read:

Subd. 2. **Credit.** A taxpayer is allowed a credit against the tax imposed by this chapter for long-term care insurance policy premiums paid during the tax year. The credit for each policy equals 25 percent of premiums paid to the extent not deducted in determining federal taxable income. A taxpayer may claim a credit for only one policy for each qualified beneficiary. A maximum of ~~\$100~~ \$1,000 applies to each qualified beneficiary. The maximum total credit allowed per year is ~~\$200~~ \$2,000 for married couples filing joint returns and ~~\$100~~ \$1,000 for all other filers. For a nonresident or part-year resident, the credit determined under this section must be allocated based on the percentage calculated under section 290.06, subdivision 2c, paragraph (e).

**EFFECTIVE DATE.** This section is effective for taxable years beginning after December 31, 2009.

Sec. 10. **[290.0678] HEALTH CARE AND HEALTH COVERAGE CREDIT.**

Subdivision 1. **Definitions.** (a) For purposes of this section the following terms have the meanings given.

(2) "Health insurance premiums" means insurance as defined in section 213(d)(1)(D) of the Internal Revenue Code.

(b) "Medical expenses" means expenditures that qualify for deduction under section 213 of the Internal Revenue Code, other than health insurance premiums.

(c) "Paid" means expenditures by the taxpayer on behalf of the taxpayer, the taxpayer's spouse, or the taxpayer's tax-qualified dependents, and not reimbursed by any other person or paid by an employee from income on which income tax was not paid.

Subd. 2. **Credit allowed.** (a) A taxpayer is allowed a credit against the tax imposed under this chapter equal to 50 percent of:

(1) medical expenses paid; and

(2) health insurance premiums paid.

(b) The credit does not apply to amounts deducted or otherwise excluded from federal taxable income or used to claim a deduction or other credit against the tax imposed under this chapter.

**EFFECTIVE DATE.** This section is effective for taxable years beginning after December 31, 2009."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

CALL OF THE HOUSE

On the motion of Emmer and on the demand of 10 members, a call of the House was ordered. The following members answered to their names:

Abeler	Bunn	Eastlund	Hamilton	Johnson	Loeffler
Anderson, B.	Carlson	Eken	Hansen	Juhnke	Madore
Anderson, S.	Clark	Emmer	Hausman	Kahn	Magnus
Anzelc	Cornish	Erhardt	Haws	Kalin	Mahoney
Atkins	Davnie	Erickson	Heidgerken	Knuth	Mariani
Beard	Dean	Faust	Hilstrom	Koenen	Marquart
Benson	DeLaForest	Finstad	Hilty	Kohls	Masin
Berns	Demmer	Fritz	Hoppe	Laine	McFarlane
Bigham	Dettmer	Gardner	Hornstein	Lanning	McNamara
Bly	Dill	Garofalo	Hortman	Lenczewski	Moe
Brod	Dittrich	Gottwalt	Hosch	Lesch	Morgan
Brown	Dominguez	Greiling	Howes	Liebling	Morrow
Brynaert	Doty	Gunther	Huntley	Lieder	Mullery
Buesgens	Drazkowski	Hackbarth	Jaros	Lillie	Murphy, E.

Murphy, M.	Paulsen	Rukavina	Shimanski	Thao	Wardlow
Nelson	Paymar	Ruth	Simon	Thissen	Welti
Nornes	Pelowski	Ruud	Simpson	Tillberry	Westrom
Norton	Peppin	Sailer	Slawik	Tschumper	Winkler
Olin	Peterson, A.	Scalze	Slocum	Urdahl	Wollschlager
Olson	Peterson, N.	Seifert	Smith	Wagenius	Zellers
Otremba	Peterson, S.	Sertich	Solberg	Walker	Spk. Kelliher
Ozment	Poppe	Severson	Swails	Ward	

Simon moved that further proceedings of the roll call be suspended and that the Sergeant at Arms be instructed to bring in the absentees. The motion prevailed and it was so ordered.

The question recurred on the Dean amendment and the roll was called. There were 49 yeas and 82 nays as follows:

Those who voted in the affirmative were:

Abeler	Dean	Finstad	Kohls	Peppin	Urdahl
Anderson, B.	DeLaForest	Garofalo	Lanning	Peterson, N.	Wardlow
Anderson, S.	Demmer	Gottwalt	Magnus	Ruth	Westrom
Beard	Dettmer	Gunther	McFarlane	Seifert	Zellers
Berns	Drazkowski	Hackbarth	McNamara	Severson	
Brod	Eastlund	Hamilton	Nornes	Shimanski	
Buesgens	Emmer	Heidgerken	Olson	Simpson	
Bunn	Erhardt	Hoppe	Ozment	Slawik	
Cornish	Erickson	Howes	Paulsen	Smith	

Those who voted in the negative were:

Anzelc	Eken	Jaros	Madore	Otremba	Swails
Atkins	Faust	Johnson	Mahoney	Paymar	Thao
Benson	Fritz	Juhnke	Mariani	Pelowski	Thissen
Bigham	Gardner	Kahn	Marquart	Peterson, A.	Tillberry
Bly	Greiling	Kalin	Masin	Peterson, S.	Tschumper
Brown	Hansen	Knuth	Moe	Poppe	Wagenius
Brynaert	Hausman	Koenen	Morgan	Rukavina	Walker
Carlson	Haws	Laine	Morrow	Ruud	Ward
Clark	Hilstrom	Lenczewski	Mullery	Sailer	Welti
Davnie	Hilty	Lesch	Murphy, E.	Scalze	Winkler
Dill	Hornstein	Liebling	Murphy, M.	Sertich	Wollschlager
Dittrich	Hortman	Lieder	Nelson	Simon	Spk. Kelliher
Dominguez	Hosch	Lillie	Norton	Slocum	
Doty	Huntley	Loeffler	Olin	Solberg	

The motion did not prevail and the amendment was not adopted.

#### CALL OF THE HOUSE LIFTED

Sertich moved that the call of the House be lifted. The motion prevailed and it was so ordered.

Zellers moved to amend H. F. No. 3149, the second engrossment, as amended, as follows:

Page 222, after line 16, insert:

"Section 1. **[16A.1524] TAX REBATE.**

(a) If, on the basis of a forecast of general fund revenues and expenditures in November of an even-numbered year or February of an odd-numbered year, the commissioner projects a positive unrestricted budgetary general fund balance at the close of the biennium that exceeds one-half of one percent of total general fund biennial revenues, the commissioner shall designate the entire balance as available for rebate to the taxpayers of this state.

(b) The commissioner of revenue shall pay the amount the commissioner designated under paragraph (a) as a sales tax rebate in the same manner as provided in Laws 2001, first special session, chapter 5, article 1. In determining the amount of the rebate to pay each taxpayer, the commissioner of revenue shall adjust the dollar amounts of the income ranges in chapter 5, article 1, section 2, for inflation since 2001, using the percentage change that would apply under section 290.06, subdivision 2d, for taxable years beginning during the calendar year in which the rebate is paid and using the tax year 2001 amounts as the base year. The commissioner shall proportionately increase or decrease the dollar amount of the rebates in the table amounts under chapter 5, article 1, sections 2, so that the entire amount is rebated, less the administrative costs allowed under paragraph (c).

(c) An amount sufficient to pay the rebates under this section is appropriated to the commissioner of revenue from the general fund. The commissioner may deduct from the amount to be rebated the department of revenue's reasonable costs of administration of the rebate and these amounts are appropriated to the commissioner of revenue for that purpose from the general fund."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Zellers amendment and the roll was called. There were 41 yeas and 89 nays as follows:

Those who voted in the affirmative were:

Abeler	Cornish	Erickson	Hoppe	Paulsen	Smith
Anderson, B.	Dean	Finstad	Howes	Peppin	Solberg
Anderson, S.	DeLaForest	Gottwalt	Kohls	Ruth	Urdahl
Beard	Dettmer	Gunther	Magnus	Seifert	Wardlow
Berns	Drazkowski	Hackbarth	McNamara	Severson	Westrom
Brod	Eastlund	Hamilton	Nornes	Shimanski	Zellers
Buesgens	Emmer	Heidgerken	Olson	Simpson	

Those who voted in the negative were:

Anzelc	Bly	Carlson	Dill	Eken	Garofalo
Atkins	Brown	Clark	Dittrich	Faust	Greiling
Benson	Brynaert	Davnie	Dominguez	Fritz	Hansen
Bigham	Bunn	Demmer	Doty	Gardner	Hausman

Haws	Kalin	Madore	Murphy, M.	Poppe	Thissen
Hilstrom	Knuth	Mahoney	Nelson	Rukavina	Tillberry
Hilty	Koenen	Mariani	Norton	Ruud	Tschumper
Hornstein	Laine	Marquart	Olin	Sailer	Wagenius
Hortman	Lanning	Masin	Otremba	Scalze	Walker
Hosch	Lenczewski	McFarlane	Ozment	Sertich	Ward
Huntley	Lesch	Moe	Paymar	Simon	Welti
Jaros	Liebling	Morgan	Pelowski	Slawik	Winkler
Johnson	Lieder	Morrow	Peterson, A.	Slocum	Wollschlager
Juhnke	Lillie	Mullery	Peterson, N.	Swails	Spk. Kelliher
Kahn	Loeffler	Murphy, E.	Peterson, S.	Thao	

The motion did not prevail and the amendment was not adopted.

Simpson moved to amend H. F. No. 3149, the second engrossment, as amended, as follows:

Page 63, delete section 5 and insert:

"Sec. 5. Minnesota Statutes 2006, section 273.03, is amended by adding a subdivision to read:

Subd. 4. **Rotation of assessment duties.** To the extent practicable, in any county or local assessor's office that has more than one assessor or employee who determines the valuation of property, the determination of the value of each parcel of property must be assigned to different assessors or employees every four years.

**EFFECTIVE DATE.** This section is effective for assessment year 2009 and thereafter."

Amend the title accordingly

The motion did not prevail and the amendment was not adopted.

Zellers moved to amend H. F. No. 3149, the second engrossment, as amended, as follows:

Page 37, after line 33, insert:

#### "ARTICLE 4

#### AIRLINE INCENTIVES

Section 1. Minnesota Statutes 2006, section 272.02, subdivision 83, is amended to read:

Subd. 83. **International economic development zone property.** (a) Improvements to real property, and personal property, classified under section 273.13, subdivision 24, and located within the international economic development zone designated under section 469.322, are exempt from ad valorem taxes levied under chapter 275, if the improvements are:

(1) used as part of a regional distribution center the scheduled airline operations of a qualified business, as defined in section 469.321; or

(2) occupied by a qualified business as defined in section 469.321, ~~that uses the improvements primarily in freight forwarding operations.~~

(b) The exemption applies to each assessment year that begins during the duration of the international economic development zone. To be exempt under paragraph (a), clause (2), the property must be occupied by July 1 of the assessment year by a qualified business that has signed the ~~business subsidy~~ agreement by July 1 of the assessment year under section 469.321, subdivision 6, clause (2).

**EFFECTIVE DATE.** This section is effective for property taxes payable in 2010, and thereafter.

Sec. 2. Minnesota Statutes 2007 Supplement, section 290.01, subdivision 19b, as amended by Laws 2008, chapter 154, article 3, section 3, and Laws 2008, chapter 154, article 11, section 11, is amended to read:

Subd. 19b. **Subtractions from federal taxable income.** For individuals, estates, and trusts, there shall be subtracted from federal taxable income:

(1) net interest income on obligations of any authority, commission, or instrumentality of the United States to the extent includable in taxable income for federal income tax purposes but exempt from state income tax under the laws of the United States;

(2) if included in federal taxable income, the amount of any overpayment of income tax to Minnesota or to any other state, for any previous taxable year, whether the amount is received as a refund or as a credit to another taxable year's income tax liability;

(3) the amount paid to others, less the amount used to claim the credit allowed under section 290.0674, not to exceed \$1,625 for each qualifying child in grades kindergarten to 6 and \$2,500 for each qualifying child in grades 7 to 12, for tuition, textbooks, and transportation of each qualifying child in attending an elementary or secondary school situated in Minnesota, North Dakota, South Dakota, Iowa, or Wisconsin, wherein a resident of this state may legally fulfill the state's compulsory attendance laws, which is not operated for profit, and which adheres to the provisions of the Civil Rights Act of 1964 and chapter 363A. For the purposes of this clause, "tuition" includes fees or tuition as defined in section 290.0674, subdivision 1, clause (1). As used in this clause, "textbooks" includes books and other instructional materials and equipment purchased or leased for use in elementary and secondary schools in teaching only those subjects legally and commonly taught in public elementary and secondary schools in this state. Equipment expenses qualifying for deduction includes expenses as defined and limited in section 290.0674, subdivision 1, clause (3). "Textbooks" does not include instructional books and materials used in the teaching of religious tenets, doctrines, or worship, the purpose of which is to instill such tenets, doctrines, or worship, nor does it include books or materials for, or transportation to, extracurricular activities including sporting events, musical or dramatic events, speech activities, driver's education, or similar programs. For purposes of the subtraction provided by this clause, "qualifying child" has the meaning given in section 32(c)(3) of the Internal Revenue Code;

(4) income as provided under section 290.0802;

(5) to the extent included in federal adjusted gross income, income realized on disposition of property exempt from tax under section 290.491;

(6) to the extent not deducted or not deductible pursuant to section 408(d)(8)(E) of the Internal Revenue Code in determining federal taxable income by an individual who does not itemize deductions for federal income tax purposes for the taxable year, an amount equal to 50 percent of the excess of charitable contributions over \$500 allowable as a deduction for the taxable year under section 170(a) of the Internal Revenue Code and under the provisions of Public Law 109-1;

(7) for taxable years beginning before January 1, 2008, the amount of the federal small ethanol producer credit allowed under section 40(a)(3) of the Internal Revenue Code which is included in gross income under section 87 of the Internal Revenue Code;

(8) for individuals who are allowed a federal foreign tax credit for taxes that do not qualify for a credit under section 290.06, subdivision 22, an amount equal to the carryover of subnational foreign taxes for the taxable year, but not to exceed the total subnational foreign taxes reported in claiming the foreign tax credit. For purposes of this clause, "federal foreign tax credit" means the credit allowed under section 27 of the Internal Revenue Code, and "carryover of subnational foreign taxes" equals the carryover allowed under section 904(c) of the Internal Revenue Code minus national level foreign taxes to the extent they exceed the federal foreign tax credit;

(9) in each of the five tax years immediately following the tax year in which an addition is required under subdivision 19a, clause (7), or 19c, clause (14), in the case of a shareholder of a corporation that is an S corporation, an amount equal to one-fifth of the delayed depreciation. For purposes of this clause, "delayed depreciation" means the amount of the addition made by the taxpayer under subdivision 19a, clause (7), or subdivision 19c, clause (14), in the case of a shareholder of an S corporation, minus the positive value of any net operating loss under section 172 of the Internal Revenue Code generated for the tax year of the addition. The resulting delayed depreciation cannot be less than zero;

(10) job opportunity building zone income as provided under section 469.316;

(11) to the extent included in federal taxable income, the amount of compensation paid to members of the Minnesota National Guard or other reserve components of the United States military for active service performed in Minnesota, excluding compensation for services performed under the Active Guard Reserve (AGR) program. For purposes of this clause, "active service" means (i) state active service as defined in section 190.05, subdivision 5a, clause (1); (ii) federally funded state active service as defined in section 190.05, subdivision 5b; or (iii) federal active service as defined in section 190.05, subdivision 5c, but "active service" excludes services performed exclusively for purposes of basic combat training, advanced individual training, annual training, and periodic inactive duty training; special training periodically made available to reserve members; and service performed in accordance with section 190.08, subdivision 3;

(12) to the extent included in federal taxable income, the amount of compensation paid to Minnesota residents who are members of the armed forces of the United States or United Nations for active duty performed outside Minnesota under United States Code, title 10, section 101(d); United States Code, title 32, section 101(12); or the authority of the United Nations;

(13) an amount, not to exceed \$10,000, equal to qualified expenses related to a qualified donor's donation, while living, of one or more of the qualified donor's organs to another person for human organ transplantation. For purposes of this clause, "organ" means all or part of an individual's liver, pancreas, kidney, intestine, lung, or bone marrow; "human organ transplantation" means the medical procedure by which transfer of a human organ is made from the body of one person to the body of another person; "qualified expenses" means unreimbursed expenses for both the individual and the qualified donor for (i) travel, (ii) lodging, and (iii) lost wages net of sick pay, except that such expenses may be subtracted under this clause only once; and "qualified donor" means the individual or the individual's dependent, as defined in section 152 of the Internal Revenue Code. An individual may claim the subtraction in this clause for each instance of organ donation for transplantation during the taxable year in which the qualified expenses occur;

(14) in each of the five tax years immediately following the tax year in which an addition is required under subdivision 19a, clause (8), or 19c, clause (15), in the case of a shareholder of a corporation that is an S corporation, an amount equal to one-fifth of the addition made by the taxpayer under subdivision 19a, clause (8), or 19c, clause (15), in the case of a shareholder of a corporation that is an S corporation, minus the positive value of any net operating loss under section 172 of the Internal Revenue Code generated for the tax year of the addition. If the net operating loss exceeds the addition for the tax year, a subtraction is not allowed under this clause; and

(15) to the extent included in federal taxable income, compensation paid to a nonresident who is a service member as defined in United States Code, title 10, section 101(a)(5), for military service as defined in the Service Member Civil Relief Act, Public Law 108-189, section 101(2); ~~and~~

~~(16) international economic development zone income as provided under section 469.325.~~

**EFFECTIVE DATE.** This section is effective for taxable years beginning after December 31, 2009.

Sec. 3. Minnesota Statutes 2006, section 290.06, subdivision 1, is amended to read:

Subdivision 1. **Computation, corporations.** (a) For taxable years beginning before January 1, 2010, the franchise tax imposed upon corporations shall be computed by applying to their taxable income the rate of 9.8 percent.

(b) For taxable years beginning after December 31, 2009, the rate listed below applies to taxable years beginning during the calendar year referenced below.

<u>Taxable years beginning during calendar year:</u>	<u>Tax rate</u>
<u>2010</u>	<u>8.8 percent</u>
<u>2011</u>	<u>7.8 percent</u>
<u>2012</u>	<u>6.8 percent</u>
<u>2013</u>	<u>5.8 percent</u>
<u>2014</u>	<u>4.8 percent</u>
<u>2015</u>	<u>3.8 percent</u>
<u>2016</u>	<u>2.8 percent</u>
<u>2017</u>	<u>1.8 percent</u>
<u>2018</u>	<u>0.8 percent</u>
<u>2019 and later years</u>	<u>zero</u>

**EFFECTIVE DATE.** This section is effective for taxable years beginning after December 31, 2009.

Sec. 4. Minnesota Statutes 2006, section 290.06, subdivision 2c, as amended by Laws 2008, chapter 154, article 4, section 6, is amended to read:

Subd. 2c. **Schedules of rates for individuals, estates, and trusts.** (a) The income taxes imposed by this chapter upon married individuals filing joint returns and surviving spouses as defined in section 2(a) of the Internal Revenue Code must be computed by applying to their taxable net income the following schedule of rates:

- (1) On the first \$25,680, 5.35 percent;
- (2) On all over \$25,680, but not over \$102,030, 7.05 percent;
- (3) On all over \$102,030, 7.85 percent.

Married individuals filing separate returns, estates, and trusts must compute their income tax by applying the above rates to their taxable income, except that the income brackets will be one-half of the above amounts.

(b) The income taxes imposed by this chapter upon unmarried individuals must be computed by applying to taxable net income the following schedule of rates:

- (1) On the first \$17,570, 5.35 percent;
- (2) On all over \$17,570, but not over \$57,710, 7.05 percent;
- (3) On all over \$57,710, 7.85 percent.

(c) The income taxes imposed by this chapter upon unmarried individuals qualifying as a head of household as defined in section 2(b) of the Internal Revenue Code must be computed by applying to taxable net income the following schedule of rates:

- (1) On the first \$21,630, 5.35 percent;
- (2) On all over \$21,630, but not over \$86,910, 7.05 percent;
- (3) On all over \$86,910, 7.85 percent.

(d) In lieu of a tax computed according to the rates set forth in this subdivision, the tax of any individual taxpayer whose taxable net income for the taxable year is less than an amount determined by the commissioner must be computed in accordance with tables prepared and issued by the commissioner of revenue based on income brackets of not more than \$100. The amount of tax for each bracket shall be computed at the rates set forth in this subdivision, provided that the commissioner may disregard a fractional part of a dollar unless it amounts to 50 cents or more, in which case it may be increased to \$1.

(e) An individual who is not a Minnesota resident for the entire year must compute the individual's Minnesota income tax as provided in this subdivision. After the application of the nonrefundable credits provided in this chapter, the tax liability must then be multiplied by a fraction in which:

(1) the numerator is the individual's Minnesota source federal adjusted gross income as defined in section 62 of the Internal Revenue Code and increased by the additions required under section 290.01, subdivision 19a, clauses (1), (5), (6), (7), (8), (9), (11), and (12) and reduced by the Minnesota assignable portion of the subtraction for United States government interest under section 290.01, subdivision 19b, clause (1), and the subtractions under section 290.01, subdivision 19b, clauses (9), (10), (14), (15), and (16), after applying the allocation and assignability provisions of section 290.081, clause (a), or 290.17; and

(2) the denominator is the individual's federal adjusted gross income as defined in section 62 of the Internal Revenue Code of 1986, increased by the amounts specified in section 290.01, subdivision 19a, clauses (1), (5), (6), (7), (8), (9), (11), and (12) and reduced by the amounts specified in section 290.01, subdivision 19b, clauses (1), (9), (10), (14), and (15), ~~and (16)~~.

**EFFECTIVE DATE.** This section is effective for taxable years beginning after December 31, 2009.

Sec. 5. Minnesota Statutes 2006, section 290.067, subdivision 1, is amended to read:

Subdivision 1. **Amount of credit.** (a) A taxpayer may take as a credit against the tax due from the taxpayer and a spouse, if any, under this chapter an amount equal to the dependent care credit for which the taxpayer is eligible pursuant to the provisions of section 21 of the Internal Revenue Code subject to the limitations provided in subdivision 2 except that in determining whether the child qualified as a dependent, income received as a Minnesota family investment program grant or allowance to or on behalf of the child must not be taken into account in determining whether the child received more than half of the child's support from the taxpayer, and the provisions of section 32(b)(1)(D) of the Internal Revenue Code do not apply.

(b) If a child who has not attained the age of six years at the close of the taxable year is cared for at a licensed family day care home operated by the child's parent, the taxpayer is deemed to have paid employment-related expenses. If the child is 16 months old or younger at the close of the taxable year, the amount of expenses deemed to have been paid equals the maximum limit for one qualified individual under section 21(c) and (d) of the Internal Revenue Code. If the child is older than 16 months of age but has not attained the age of six years at the close of the taxable year, the amount of expenses deemed to have been paid equals the amount the licensee would charge for the care of a child of the same age for the same number of hours of care.

(c) If a married couple:

(1) has a child who has not attained the age of one year at the close of the taxable year;

(2) files a joint tax return for the taxable year; and

(3) does not participate in a dependent care assistance program as defined in section 129 of the Internal Revenue Code, in lieu of the actual employment related expenses paid for that child under paragraph (a) or the deemed amount under paragraph (b), the lesser of (i) the combined earned income of the couple or (ii) the amount of the maximum limit for one qualified individual under section 21(c) and (d) of the Internal Revenue Code will be deemed to be the employment related expense paid for that child. The earned income limitation of section 21(d) of the Internal Revenue Code shall not apply to this deemed amount. These deemed amounts apply regardless of whether any employment-related expenses have been paid.

(d) If the taxpayer is not required and does not file a federal individual income tax return for the tax year, no credit is allowed for any amount paid to any person unless:

(1) the name, address, and taxpayer identification number of the person are included on the return claiming the credit; or

(2) if the person is an organization described in section 501(c)(3) of the Internal Revenue Code and exempt from tax under section 501(a) of the Internal Revenue Code, the name and address of the person are included on the return claiming the credit.

In the case of a failure to provide the information required under the preceding sentence, the preceding sentence does not apply if it is shown that the taxpayer exercised due diligence in attempting to provide the information required.

In the case of a nonresident, part-year resident, or a person who has earned income not subject to tax under this chapter including earned income excluded pursuant to section 290.01, subdivision 19b, clause (10) ~~or (16)~~, the credit determined under section 21 of the Internal Revenue Code must be allocated based on the ratio by which the earned income of the claimant and the claimant's spouse from Minnesota sources bears to the total earned income of the claimant and the claimant's spouse.

For residents of Minnesota, the subtractions for military pay under section 290.01, subdivision 19b, clauses (11) and (12), are not considered "earned income not subject to tax under this chapter."

For residents of Minnesota, the exclusion of combat pay under section 112 of the Internal Revenue Code is not considered "earned income not subject to tax under this chapter."

**EFFECTIVE DATE.** This section is effective for taxable years beginning after December 31, 2009.

Sec. 6. Minnesota Statutes 2006, section 290.0671, subdivision 1, is amended to read:

Subdivision 1. **Credit allowed.** (a) An individual is allowed a credit against the tax imposed by this chapter equal to a percentage of earned income. To receive a credit, a taxpayer must be eligible for a credit under section 32 of the Internal Revenue Code.

(b) For individuals with no qualifying children, the credit equals 1.9125 percent of the first \$4,620 of earned income. The credit is reduced by 1.9125 percent of earned income or adjusted gross income, whichever is greater, in excess of \$5,770, but in no case is the credit less than zero.

(c) For individuals with one qualifying child, the credit equals 8.5 percent of the first \$6,920 of earned income and 8.5 percent of earned income over \$12,080 but less than \$13,450. The credit is reduced by 5.73 percent of earned income or adjusted gross income, whichever is greater, in excess of \$15,080, but in no case is the credit less than zero.

(d) For individuals with two or more qualifying children, the credit equals ten percent of the first \$9,720 of earned income and 20 percent of earned income over \$14,860 but less than \$16,800. The credit is reduced by 10.3 percent of earned income or adjusted gross income, whichever is greater, in excess of \$17,890, but in no case is the credit less than zero.

(e) For a nonresident or part-year resident, the credit must be allocated based on the percentage calculated under section 290.06, subdivision 2c, paragraph (e).

(f) For a person who was a resident for the entire tax year and has earned income not subject to tax under this chapter, including income excluded under section 290.01, subdivision 19b, clause (10) ~~or (16)~~, the credit must be allocated based on the ratio of federal adjusted gross income reduced by the earned income not subject to tax under this chapter over federal adjusted gross income. For purposes of this paragraph, the subtractions for military pay under section 290.01, subdivision 19b, clauses (11) and (12), are not considered "earned income not subject to tax under this chapter."

For the purposes of this paragraph, the exclusion of combat pay under section 112 of the Internal Revenue Code is not considered "earned income not subject to tax under this chapter."

(g) For tax years beginning after December 31, 2001, and before December 31, 2004, the \$5,770 in paragraph (b), the \$15,080 in paragraph (c), and the \$17,890 in paragraph (d), after being adjusted for inflation under subdivision 7, are each increased by \$1,000 for married taxpayers filing joint returns.

(h) For tax years beginning after December 31, 2004, and before December 31, 2007, the \$5,770 in paragraph (b), the \$15,080 in paragraph (c), and the \$17,890 in paragraph (d), after being adjusted for inflation under subdivision 7, are each increased by \$2,000 for married taxpayers filing joint returns.

(i) For tax years beginning after December 31, 2007, and before December 31, 2010, the \$5,770 in paragraph (b), the \$15,080 in paragraph (c), and the \$17,890 in paragraph (d), after being adjusted for inflation under subdivision 7, are each increased by \$3,000 for married taxpayers filing joint returns. For tax years beginning after December 31, 2008, the \$3,000 is adjusted annually for inflation under subdivision 7.

(j) The commissioner shall construct tables showing the amount of the credit at various income levels and make them available to taxpayers. The tables shall follow the schedule contained in this subdivision, except that the commissioner may graduate the transition between income brackets.

**EFFECTIVE DATE.** This section is effective for taxable years beginning after December 31, 2009.

Sec. 7. Minnesota Statutes 2006, section 290.091, subdivision 2, as amended by Laws 2008, chapter 154, article 4, section 7, is amended to read:

Subd. 2. **Definitions.** For purposes of the tax imposed by this section, the following terms have the meanings given:

(a) "Alternative minimum taxable income" means the sum of the following for the taxable year:

(1) the taxpayer's federal alternative minimum taxable income as defined in section 55(b)(2) of the Internal Revenue Code;

(2) the taxpayer's itemized deductions allowed in computing federal alternative minimum taxable income, but excluding:

(i) the charitable contribution deduction under section 170 of the Internal Revenue Code:

(A) for taxable years beginning before January 1, 2006, to the extent that the deduction exceeds 1.0 percent of adjusted gross income;

(B) for taxable years beginning after December 31, 2005, to the full extent of the deduction.

For purposes of this clause, "adjusted gross income" has the meaning given in section 62 of the Internal Revenue Code;

(ii) the medical expense deduction;

(iii) the casualty, theft, and disaster loss deduction; and

(iv) the impairment-related work expenses of a disabled person;

(3) for depletion allowances computed under section 613A(c) of the Internal Revenue Code, with respect to each property (as defined in section 614 of the Internal Revenue Code), to the extent not included in federal alternative minimum taxable income, the excess of the deduction for depletion allowable under section 611 of the Internal Revenue Code for the taxable year over the adjusted basis of the property at the end of the taxable year (determined without regard to the depletion deduction for the taxable year);

(4) to the extent not included in federal alternative minimum taxable income, the amount of the tax preference for intangible drilling cost under section 57(a)(2) of the Internal Revenue Code determined without regard to subparagraph (E);

(5) to the extent not included in federal alternative minimum taxable income, the amount of interest income as provided by section 290.01, subdivision 19a, clause (1); and

(6) the amount of addition required by section 290.01, subdivision 19a, clauses (7) to (9), (11), and (12);

less the sum of the amounts determined under the following:

(1) interest income as defined in section 290.01, subdivision 19b, clause (1);

(2) an overpayment of state income tax as provided by section 290.01, subdivision 19b, clause (2), to the extent included in federal alternative minimum taxable income;

(3) the amount of investment interest paid or accrued within the taxable year on indebtedness to the extent that the amount does not exceed net investment income, as defined in section 163(d)(4) of the Internal Revenue Code. Interest does not include amounts deducted in computing federal adjusted gross income; and

(4) amounts subtracted from federal taxable income as provided by section 290.01, subdivision 19b, clauses (9) to ~~(16)~~ (15).

In the case of an estate or trust, alternative minimum taxable income must be computed as provided in section 59(c) of the Internal Revenue Code.

(b) "Investment interest" means investment interest as defined in section 163(d)(3) of the Internal Revenue Code.

(c) "Tentative minimum tax" equals 6.4 percent of alternative minimum taxable income after subtracting the exemption amount determined under subdivision 3.

(d) "Regular tax" means the tax that would be imposed under this chapter (without regard to this section and section 290.032), reduced by the sum of the nonrefundable credits allowed under this chapter.

(e) "Net minimum tax" means the minimum tax imposed by this section.

**EFFECTIVE DATE.** This section is effective for taxable years beginning after December 31, 2009.

Sec. 8. Minnesota Statutes 2006, section 290.0921, subdivision 1, is amended to read:

Subdivision 1. **Tax imposed.** (a) In addition to the taxes computed under this chapter without regard to this section, the franchise tax imposed on corporations includes a tax equal to the excess, if any, for the taxable year of:

(1) ~~5.8~~ the percent of Minnesota alternative minimum taxable income under paragraph (b) for the taxable year;  
over

(2) the tax imposed under section 290.06, subdivision 1, without regard to this section.

(b) For taxable years beginning after December 31, 2009, the rate listed below applies to taxable years beginning during the calendar year referenced below.

<u>Taxable years beginning during calendar year:</u>	<u>Tax rate:</u>
<u>2010</u>	<u>4.6 percent</u>
<u>2011</u>	<u>4.1 percent</u>
<u>2012</u>	<u>3.6 percent</u>
<u>2013</u>	<u>3.0 percent</u>
<u>2014</u>	<u>2.5 percent</u>
<u>2015</u>	<u>2.0 percent</u>
<u>2016</u>	<u>1.5 percent</u>
<u>2017</u>	<u>1.0 percent</u>
<u>2018 and later years</u>	<u>zero</u>

**EFFECTIVE DATE.** This section is effective for taxable years beginning after December 31, 2009.

Sec. 9. Minnesota Statutes 2006, section 297A.68, subdivision 41, is amended to read:

Subd. 41. **International economic development zones.** (a) Purchases of tangible personal property or taxable services by a qualified business, as defined in section 469.321, are exempt if the property or services are primarily used or consumed in the international economic development zone designated under section 469.322. This exemption applies only if the purchase is made and delivery received after the business signed the ~~business subsidy~~ agreement required under chapter 469.

(b) Purchase and use of construction materials, supplies, and equipment incorporated into the construction of improvements to real property in the international economic development zone are exempt if the improvements after completion of construction are to be ~~used as a regional distribution center as defined in section 469.321 or otherwise~~ used in the conduct of freight forwarding scheduled airline operations and related activities of a qualified business as defined in section 469.321. This exemption applies regardless of whether the purchases are made by the business or a contractor.

(c) The exemptions under this subdivision apply to a local sales and use tax, regardless of whether the local tax is imposed on sales taxable under this chapter or in another law, ordinance, or charter provision.

(d) The exemptions in this section apply to sales and purchases made after ~~the date of final zone designation under section 469.322, paragraph (c),~~ June 30, 2009, and before the expiration of the zone under section 469.322, paragraph (d).

~~(e) For purchases made for improvements to real property to be occupied by a business that has not signed a business subsidy agreement at the time of the purchase, the tax must be imposed and collected as if the rate under section 297A.62, subdivision 1, applied, and then refunded in the manner provided in section 297A.75. The taxpayer must attach to the claim for refund information sufficient for the commissioner to be able to determine that the improvements are being occupied by a business that has signed a business subsidy agreement.~~

**EFFECTIVE DATE.** This section is effective for sales made after June 30, 2009.

Sec. 10. Minnesota Statutes 2006, section 469.321, subdivision 6, is amended to read:

Subd. 6. **Qualified business.** "Qualified business" means a person ~~who has signed a business subsidy agreement as required under sections 116J.993 to 116J.995 and 469.323, subdivision 4, carrying on a trade or business at a place of business located within the international economic development zone that is consisting of scheduled airline operations that employ at least 70,000 employees, that acquires a scheduled airline headquartered in the state of Minnesota, and that:~~

~~(1)(i) engaged in the furtherance of international export or import of goods as a freight forwarder; and (ii) certified by the foreign trade zone authority as a trade or business that furthers the purpose of developing international distribution capacity and capability; or~~ relocates its headquarters from another state to a location in the state of Minnesota; and

~~(2) the owner or operator of a regional distribution center enters an agreement with the commissioner of the Department of Employment and Economic Development to maintain its headquarters in Minnesota for at least 12 years.~~

**EFFECTIVE DATE.** This section is effective the day following final enactment.

Sec. 11. Minnesota Statutes 2006, section 469.322, is amended to read:

**469.322 DESIGNATION OF INTERNATIONAL ECONOMIC DEVELOPMENT ZONE.**

~~(a) An area designated as a foreign trade zone may be designated by the foreign trade zone authority as an international economic development zone if within the zone a regional distribution center is being developed pursuant to section 469.323. The zone must consist of contiguous area of not less than 500 acres and not more than 1,000 acres, consisting of the headquarters and related facilities of a qualified business and the property, owned or leased and occupied by a qualified business at the Minneapolis-St. Paul International Airport, is designated as an international economic development zone. The designation authority under this section is limited to one that zone.~~

~~(b) In making the designation, the foreign trade zone authority, in consultation with the Minnesota Department of Transportation and the Metropolitan Council, shall consider access to major transportation routes, consistency with current state transportation and air cargo planning, adequacy of the size of the site, access to airport facilities, present and future capacity at the designated airport, the capability to meet integrated present and future air cargo, security, and inspection services, and access to other infrastructure and financial incentives. The border of the international economic development zone must be no more than 60 miles distant or 90 minutes drive time from the border of the Minneapolis-St. Paul International Airport.~~

~~(c) Before final designation of the zone, the foreign trade zone authority, in consultation with the applicant, must conduct a transportation impact study based on the regional model and utilizing traffic forecasting and assignments. The results must be used to evaluate the effects of the proposed use on the transportation system and identify any needed improvements. If the site is in the metropolitan area the study must also evaluate the effect of the transportation impacts on the Metropolitan Transportation System plan as well as the comprehensive plans of the municipalities that would be affected. The authority shall provide copies of the study to the legislature under section 3.195 and to the chairs of the committees with jurisdiction over transportation and economic development. The applicant must pay the cost of the study.~~

~~(d) Final zone designation must be made by June 30, 2008.~~

~~(e) Duration of the zone is a 12-year period beginning on January 1, 2010.~~

**EFFECTIVE DATE.** This section is effective June 30, 2008.

Sec. 12. Minnesota Statutes 2006, section 469.324, is amended to read:

**469.324 TAX INCENTIVES IN INTERNATIONAL ECONOMIC DEVELOPMENT ZONE.**

Qualified businesses that operate in an international economic development zone, individuals who invest in a regional distribution center or qualified businesses that operate in an international economic development zone, and property located in an international economic development zone qualify for:

~~(1) exemption from individual income taxes as provided under section 469.325;~~

~~(2) exemption from corporate franchise taxes as provided under section 469.326;~~

~~(3) exemption from the state sales and use tax and any local sales and use taxes on qualifying purchases as provided in section 297A.68, subdivision 41;~~

~~(4)~~ (2) exemption from the property tax as provided in section 272.02, subdivision 68; and

~~(5)~~ (3) the jobs credit allowed under section 469.327.

**EFFECTIVE DATE.** This section is effective June 30, 2008.

Sec. 13. Minnesota Statutes 2006, section 469.327, subdivision 1, is amended to read:

Subdivision 1. **Credit allowed.** (a) A qualified business is allowed a credit against the taxes imposed under chapter 290. The credit equals ~~seven~~ one percent of the:

(1) lesser of:

(i) ~~zone payroll for the taxable year, less the zone payroll for the base year; or~~

(ii) total Minnesota payroll for the taxable year, less total Minnesota payroll for the base year; minus

(2) \$30,000 multiplied by the number of full-time equivalent employees that the qualified business employs in ~~the international economic development zone~~ Minnesota for the taxable year, minus the number of full-time equivalent employees the business employed in ~~the zone~~ Minnesota in the base year, but not less than zero.

(b) This section applies only to tax years beginning during the duration of the international economic development zone.

**EFFECTIVE DATE.** This section is effective for taxable years beginning after December 31, 2009.

Sec. 14. Minnesota Statutes 2006, section 469.327, subdivision 2, is amended to read:

Subd. 2. **Definitions.** (a) For purposes of this section, the following terms have the meanings given.

(b) "Base year" means the taxable year beginning during the calendar year immediately preceding the calendar year in which the duration of the zone begins under section 469.322, paragraph ~~(a)~~ (b).

(c) "Full-time equivalent employees" means the equivalent of annualized expected hours of work equal to 2,080 hours.

(d) "Minnesota payroll" means the wages or salaries attributed to Minnesota under section 290.191, subdivision 12, for the qualified business or the unitary business of which the qualified business is a part, whichever is greater.

(e) "~~Zone~~ Payroll" means wages or salaries used to determine the zone payroll factor for the qualified business, less the amount of compensation attributable to any employee that exceeds \$70,000.

**EFFECTIVE DATE.** This section is effective for taxable years beginning after December 31, 2009.

Sec. 15. Minnesota Statutes 2006, section 469.328, subdivision 1, is amended to read:

Subdivision 1. **Repayment obligation.** A person must repay the amount of the tax reduction received under section 469.324, subdivision 1, clauses (1) to (5), or credit received under section 469.327, during the two years immediately before it ceased to operate in the zone as a qualified business, if the person ceased to operate its facility located within the zone, ceased to be in compliance with the terms of the ~~business subsidy~~ agreement under section 469.321, subdivision 6, or otherwise ceases to be or is not a qualified business.

**EFFECTIVE DATE.** This section is effective June 30, 2008.

Sec. 16. Minnesota Statutes 2006, section 469.329, is amended to read:

**469.329 REPORTING REQUIREMENTS.**

~~(a) An applicant receiving designation of an international economic development zone under section 469.322 must annually report to the commissioner of employment and economic development on its progress in meeting the zone performance goals under the business plan for the zone and the applicant's compliance with the business subsidy law under sections 116J.993 to 116J.995.~~

(b) The commissioner must report on its Web site information on (1) the estimated amount of the tax expenditures for the zone, (2) the business subsidy agreements with qualified businesses in the zone, (3) the estimated number of new jobs created in the zone and investment made, and (4) other information similar to the information that the commissioner reports on the job opportunity building zone program on the department's Web site.

**EFFECTIVE DATE.** This section is effective June 30, 2008.

Sec. 17. **AIRPORT GOVERNANCE STUDY COMMISSION.**

~~(a) An airport study commission is established to examine the governance structure of the Metropolitan Airports Commission and the operations of the Minneapolis-St. Paul International Airport. The purpose of the study is to determine ways in which the governance and operations of the airport could be improved to be more efficient and cost-effective with a primary goal of permitting the airport to be operated as a residual airport that is more attractive as a base for major airline operations.~~

~~(b) The commission consists of 12 members as follows:~~

~~(1) six members of the public, particularly individuals with knowledge of and experience in the aviation industry, appointed by the governor;~~

~~(2) three members of the senate, consisting of two members of the majority caucus and one member of the minority caucus, appointed by the senate Subcommittee on Committees of the Committee on Rules and Administration; and~~

~~(3) three members of the house of representatives, two appointed by the speaker and one appointed by the minority leader.~~

~~(c) The commission shall file a written report with the legislature on or before January 4, 2010, in the manner provided under Minnesota Statutes, section 3.195.~~

**EFFECTIVE DATE.** This section is effective the day following final enactment.

Sec. 18. **REPEALER.**

Minnesota Statutes 2006, sections 469.321, subdivisions 2, 3, 7, 8, and 9; 469.3215; 469.323; 469.325; and 469.326, are repealed.

**EFFECTIVE DATE.** This section is effective June 30, 2009."

Renumber the articles and sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Zellers amendment and the roll was called.

Pursuant to rule 2.05, Speaker pro tempore Juhnke excused Lillie from voting on the Zellers amendment to H. F. No. 3149, the second engrossment, as amended.

There were 43 yeas and 87 nays as follows:

Those who voted in the affirmative were:

Abeler	DeLaForest	Garofalo	Howes	Peppin	Wardlow
Anderson, B.	Demmer	Gottwalt	Kohls	Peterson, N.	Westrom
Anderson, S.	Dettmer	Gunther	Lanning	Ruth	Zellers
Beard	Drazkowski	Hackbarth	Magnus	Seifert	
Brod	Eastlund	Hamilton	McFarlane	Severson	
Buesgens	Emmer	Heidgerken	McNamara	Shimanski	
Cornish	Erickson	Holberg	Nornes	Simpson	
Dean	Finstad	Hoppe	Paulsen	Urdahl	

Those who voted in the negative were:

Anzelc	Doty	Jaros	Mariani	Paymar	Swails
Atkins	Eken	Johnson	Marquart	Pelowski	Thao
Benson	Faust	Juhnke	Masin	Peterson, A.	Thissen
Berns	Fritz	Kahn	Moe	Peterson, S.	Tillberry
Bigham	Gardner	Kalin	Morgan	Poppe	Tschumper
Bly	Greiling	Knuth	Morrow	Rukavina	Wagenius
Brown	Hansen	Koenen	Mullery	Ruud	Walker
Brynaert	Hausman	Laine	Murphy, E.	Sailer	Ward
Bunn	Haws	Lenczewski	Murphy, M.	Scalze	Welti
Carlson	Hilstrom	Lesch	Nelson	Sertich	Winkler
Clark	Hilty	Liebling	Norton	Simon	Wollschlager
Davnie	Hornstein	Lieder	Olin	Slawik	Spk. Kelliher
Dill	Hortman	Loeffler	Olson	Slocum	
Dittrich	Hosch	Madore	Otremba	Smith	
Dominguez	Huntley	Mahoney	Ozment	Solberg	

The motion did not prevail and the amendment was not adopted.

H. F. No. 3149, as amended, was read for the third time.

## CALL OF THE HOUSE

On the motion of Seifert and on the demand of 10 members, a call of the House was ordered. The following members answered to their names:

Abeler	Dettmer	Hausman	Lenczewski	Olin	Simpson
Anderson, B.	Dill	Haws	Lesch	Olson	Slawik
Anderson, S.	Dittrich	Heidgerken	Liebling	Otremba	Slocum
Anzelc	Dominguez	Hilstrom	Lieder	Ozment	Smith
Atkins	Doty	Hilty	Lillie	Paulsen	Solberg
Beard	Drazkowski	Holberg	Loeffler	Paymar	Swails
Benson	Eastlund	Hoppe	Madore	Pelowski	Thao
Berns	Eken	Hornstein	Magnus	Peppin	Thissen
Bigham	Emmer	Hortman	Mahoney	Peterson, A.	Tillberry
Bly	Erhardt	Hosch	Marquart	Peterson, N.	Tschumper
Brod	Erickson	Howes	Masin	Peterson, S.	Urdahl
Brown	Faust	Huntley	McFarlane	Poppe	Wagenius
Brynaert	Finstad	Jaros	McNamara	Rukavina	Walker
Buesgens	Fritz	Johnson	Moe	Ruth	Ward
Bunn	Gardner	Juhnke	Morgan	Ruud	Wardlow
Carlson	Garofalo	Kahn	Morrow	Sailer	Welti
Clark	Gottwalt	Kalin	Mullery	Scalze	Westrom
Cornish	Greiling	Knuth	Murphy, E.	Seifert	Winkler
Davnie	Gunther	Koenen	Murphy, M.	Sertich	Wollschlager
Dean	Hackbarth	Kohls	Nelson	Severson	Zellers
DeLaForest	Hamilton	Laine	Nornes	Shimanski	Spk. Kelliher
Demmer	Hansen	Lanning	Norton	Simon	

Sertich moved that further proceedings of the roll call be suspended and that the Sergeant at Arms be instructed to bring in the absentees. The motion prevailed and it was so ordered.

H. F. No. 3149, A bill for an act relating to the financing and operation of state and local government; making policy, technical, administrative, enforcement, collection, refund, clarifying, and other changes to income, franchise, property, sales and use, minerals, wheelage, mortgage, deed, and estate taxes, and other taxes and tax-related provisions; providing for homestead credit state refund; providing for aids to local governments; providing city foreclosure and deed grants; changing and providing property tax exemptions and credits; modifying job opportunity building zone program; modifying green acre eligibility requirements; providing aggregate resource preservation property tax law; providing seasonal recreational property tax deferral program; modifying eligibility for senior citizen tax deferral program; modifying transit taxing district; modifying levies, property valuation procedures, homestead provisions, property tax classes, and class rates; requiring levy limits under certain contingencies; providing for and modifying sales tax exemptions; exempting two-wheel, motorized vehicles from wheelage tax; abolishing the political contribution refund; providing exclusion from income for certain veterans' retirement benefits; providing credits; providing for additional financing of metropolitan area transit and paratransit capital expenditures; authorizing issuance of certain obligations; modifying provision governing bonding for county libraries; changing and authorizing powers, duties, and requirements of local governments and authorities and state departments or agencies; modifying, extending, and authorizing certain tax increment financing districts; authorizing and modifying local sales taxes; prohibiting the imposition of new local sales taxes; providing federal updates; changing accelerated sales tax; creating Surplus Lines Association of Minnesota; creating Iron Range revitalization account; changing provisions related to data practices and debt collection; requiring studies; providing appointments; appropriating money; amending Minnesota Statutes 2006, sections 13.51, subdivision 3; 13.585, subdivision 5; 16D.02, subdivisions 3, 6; 16D.04, subdivision 2, as amended; 60A.196; 163.051, subdivision 1; 168.012, subdivision 1, by adding a subdivision; 168.013, subdivision 1f; 168A.03, subdivision 1; 169.01, by adding a subdivision; 169.781, subdivision 1; 216B.1612, by adding a subdivision; 216B.1646; 270A.03, subdivision 7;

270A.08, subdivision 1; 270B.15; 270C.33, subdivision 5; 270C.56, subdivisions 1, as amended, 3; 270C.85, subdivision 2; 272.02, subdivisions 13, 20, 21, 27, 31, 38, 49, by adding subdivisions; 272.03, subdivision 3, by adding a subdivision; 273.11, subdivisions 1, 1a, 8, 14a, 14b, by adding subdivisions; 273.111, subdivisions 3, as amended, 4, 8, 9, 11, 11a, by adding a subdivision; 273.121, as amended; 273.124, subdivisions 1, 6, 13, as amended, 21; 273.128, subdivision 1, as amended; 273.13, subdivisions 23, as amended, 24, 25, as amended, 33, 34, as added; 273.1384, subdivisions 1, 2; 274.01, subdivision 3; 274.014, subdivision 3; 274.14; 275.025, subdivisions 1, 2; 275.065, subdivisions 1c, 6, 8, 9, 10, by adding subdivisions; 275.70, by adding a subdivision; 275.71; 276.04, subdivision 2, as amended; 282.08; 287.20, subdivisions 3a, 9, by adding a subdivision; 289A.12, by adding a subdivision; 289A.18, subdivision 1, as amended; 289A.19, subdivision 2, by adding a subdivision; 289A.20, subdivision 4, as amended; 289A.40, subdivision 1; 289A.50, subdivision 1; 289A.55, by adding a subdivision; 289A.60, subdivision 15, as amended, by adding a subdivision; 290.01, subdivisions 6, 6b, 19a, as amended, 29, by adding a subdivision; 290.06, by adding subdivisions; 290.068, subdivisions 1, 3, by adding subdivisions; 290.07, subdivision 1; 290.091, subdivision 2, as amended; 290.21, subdivision 4; 290.92, subdivisions 1, 26, 31, as added; 290A.03, subdivision 13; 290A.04, subdivisions 2h, 3, 4, by adding subdivisions; 290B.03, subdivision 1; 290B.04, subdivisions 1, 3, 4; 290B.05, subdivision 1; 290B.07; 291.03, subdivision 1; 295.50, subdivision 4; 295.52, subdivision 4, as amended; 295.53, subdivision 4a; 296A.07, subdivision 4; 296A.08, subdivision 3; 296A.16, subdivision 2; 297A.61, subdivisions 22, 29; 297A.665, as amended; 297A.67, subdivision 7, as amended; 297A.70, subdivisions 2, 8; 297A.71, subdivision 23, by adding subdivisions; 297A.75; 297A.99, subdivision 1, as amended; 297A.995, subdivision 10, by adding subdivisions; 297B.01, subdivision 7, by adding a subdivision; 297B.03; 297F.01, subdivision 8; 297F.09, subdivision 10, as amended; 297F.21, subdivision 1; 297G.01, subdivision 9; 297G.09, subdivision 9, as amended; 297H.09; 297I.05, subdivision 12; 298.24, subdivision 1, as amended; 298.75, subdivisions 1, 2, 6, 7; 365A.095; 383A.80, subdivision 4; 383A.81, subdivisions 1, 2; 383B.80, subdivision 4; 383E.20; 429.101, subdivision 1; 469.033, subdivision 6; 469.040, subdivision 4; 469.174, subdivision 10b; 469.177, subdivision 1c, by adding a subdivision; 469.1813, subdivision 8; 469.312, by adding a subdivision; 469.319; 469.3201; 473.39, by adding a subdivision; 473.446, subdivisions 2, 8; 477A.011, subdivisions 34, 36, as amended, by adding subdivisions; 477A.0124, subdivision 5; 477A.013, subdivisions 1, 8, as amended, 9, as amended; 477A.03; Minnesota Statutes 2007 Supplement, sections 115A.1314, subdivision 2; 268.19, subdivision 1; 273.1231, subdivision 7, by adding a subdivision; 273.1232, subdivision 1; 273.1233, subdivisions 1, 3; 273.1234; 273.1235, subdivisions 1, 3; 273.124, subdivision 14; 273.1393; 275.065, subdivisions 1, 1a, 3; 290.01, subdivision 19b, as amended; 298.227; Laws 1991, chapter 291, article 8, section 27, subdivisions 3, as amended, 4, as amended; Laws 1995, chapter 264, article 5, section 46, subdivision 2; Laws 2003, chapter 127, article 10, section 31, subdivision 1; Laws 2006, chapter 259, article 10, section 14, subdivision 1; Laws 2008, chapter 154, article 2, section 11; article 3, section 7; article 9, sections 23; 24; proposing coding for new law in Minnesota Statutes, chapters 60A; 116J; 169; 216F; 273; 298; 373; 383C; 383D; 383E; 469; proposing coding for new law as Minnesota Statutes, chapter 290D; repealing Minnesota Statutes 2006, sections 10A.322, subdivision 4; 273.11, subdivision 14; 273.111, subdivision 6; 290.06, subdivision 23; 290.191, subdivision 4; 290A.04, subdivisions 2, 2b; 473.4461; 477A.014, subdivision 5; Minnesota Statutes 2007 Supplement, section 477A.014, subdivision 4; Laws 2005, First Special Session chapter 3, article 5, section 24; Minnesota Rules, parts 8031.0100, subpart 3; 8093.2100.

The bill, as amended, was placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 80 yeas and 52 nays as follows:

Those who voted in the affirmative were:

Anzelc	Brynaert	Doty	Hansen	Hortman	Kalin
Atkins	Carlson	Eken	Hausman	Hosch	Knuth
Benson	Clark	Faust	Haws	Jaros	Koenen
Bigham	Davnie	Fritz	Hilstrom	Johnson	Laine
Bly	Dill	Gardner	Hilty	Juhnke	Lenczewski
Brown	Dominguez	Greiling	Hornstein	Kahn	Lesch

Liebling	Masin	Norton	Rukavina	Swails	Welti
Lieder	Moe	Olin	Ruud	Thao	Winkler
Lillie	Morgan	Otremba	Sailer	Thissen	Wollschlager
Loeffler	Morrow	Paymar	Sertich	Tillberry	Spk. Kelliher
Madore	Mullery	Pelowski	Simon	Tschumper	
Mahoney	Murphy, E.	Peterson, A.	Slawik	Wagenius	
Mariani	Murphy, M.	Peterson, S.	Slocum	Walker	
Marquart	Nelson	Poppe	Solberg	Ward	

Those who voted in the negative were:

Abeler	Dean	Erickson	Hoppe	Olson	Shimanski
Anderson, B.	DeLaForest	Finstad	Howes	Ozment	Simpson
Anderson, S.	Demmer	Garofalo	Huntley	Paulsen	Smith
Beard	Dettmer	Gottwalt	Kohls	Peppin	Urdahl
Berns	Dittrich	Gunther	Lanning	Peterson, N.	Wardlow
Brod	Drazkowski	Hackbarth	Magnus	Ruth	Westrom
Buesgens	Eastlund	Hamilton	McFarlane	Scalze	Zellers
Bunn	Emmer	Heidgerken	McNamara	Seifert	
Cornish	Erhardt	Holberg	Nornes	Severson	

The bill was passed, as amended, and its title agreed to.

#### CALL OF THE HOUSE LIFTED

Sertich moved that the call of the House be lifted. The motion prevailed and it was so ordered.

#### CALENDAR FOR THE DAY, Continued

Sertich moved that the remaining bills on the Calendar for the Day be continued. The motion prevailed.

There being no objection, the order of business reverted to Messages from the Senate.

#### MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Madam Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

H. F. No. 2553, A bill for an act relating to state government; creating a catastrophe survivor compensation fund; appropriating money; amending Minnesota Statutes 2006, section 13.635, by adding a subdivision; proposing coding for new law as Minnesota Statutes, chapter 8A.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said House File is herewith returned to the House.

COLLEEN J. PACHECO, Second Assistant Secretary of the Senate

Madam Speaker:

I hereby announce that the Senate accedes to the request of the House for the appointment of a Conference Committee on the amendments adopted by the Senate to the following House File:

H. F. No. 3222, A bill for an act relating to human services; amending health care services provisions; making changes to general assistance medical care, medical assistance, and MinnesotaCare; modifying claims, liens, and treatment of assets; establishing a statewide information exchange; amending Minnesota Statutes 2006, sections 245.462, subdivision 18; 245.470, subdivision 1; 245.4871, subdivision 27; 245.488, subdivision 1; 256B.056, subdivisions 2, 4a, 11, by adding a subdivision; 256B.057, subdivision 1; 256B.0571, subdivisions 8, 9, 15, by adding a subdivision; 256B.058; 256B.059, subdivisions 1, 1a; 256B.0594; 256B.0595, subdivisions 1, 2, 3, 4, by adding subdivisions; 256B.0624, subdivisions 5, 8; 256B.0625, subdivision 13g; 256B.075, subdivision 2; 256B.0943, subdivision 1; 256B.15, subdivision 4; 256B.69, subdivisions 6, 27, 28; 256J.08, subdivision 73a; 524.3-803; Minnesota Statutes 2007 Supplement, sections 256.01, subdivision 2b; 256B.055, subdivision 14; 256B.0623, subdivision 5; 256B.0625, subdivision 49; 256D.03, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 256B.

The Senate has appointed as such committee:

Senators Berglin, Lourey and Koering.

Said House File is herewith returned to the House.

COLLEEN J. PACHECO, Second Assistant Secretary of the Senate

Madam Speaker:

I hereby announce that the Senate accedes to the request of the House for the appointment of a Conference Committee on the amendments adopted by the Senate to the following House File:

H. F. No. 3494, A bill for an act relating to employment; providing up to three hours of paid leave in any 12-month period for state employees to donate blood; authorizing employers to provide leave to employees to donate blood; proposing coding for new law in Minnesota Statutes, chapters 43A; 181.

The Senate has appointed as such committee:

Senators Rest, Erickson Ropes, Day, Pappas and Larson.

Said House File is herewith returned to the House.

COLLEEN J. PACHECO, Second Assistant Secretary of the Senate

Madam Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendments the concurrence of the House is respectfully requested:

H. F. No. 3486, A bill for an act relating to motor carriers; reallocating proceeds of fees collected since 2005 under the International Fuel Tax Agreement compact; amending Minnesota Statutes 2006, sections 168D.06; 168D.07; 299A.705, subdivision 1.

COLLEEN J. PACHECO, Second Assistant Secretary of the Senate

## CONCURRENCE AND REPASSAGE

Hornstein moved that the House concur in the Senate amendments to H. F. No. 3486 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 3486, A bill for an act relating to transportation; modifying or adding provisions relating to agency duties and activities, eminent domain, highways and roads, commercial vehicles, signs, highway construction contracting, transportation research, bridge inspection, special mobile equipment, motor vehicles, vehicle registration and title, traffic regulations, towing, commercial motor vehicles, recreational vehicle combinations, parking violations, vehicle length and weight, vehicle permits, statewide transportation goals and plan, drivers' licenses, pavement analysis, certain fees, special transportation services, motor carriers, commercial vehicles and drivers, light rail transit and other transit services and facilities, and transit police; creating position of state rail inspector; requiring studies and reports; providing penalties; appropriating money; amending Minnesota Statutes 2006, sections 117.041, by adding a subdivision; 117.51; 117.52, subdivision 1a; 160.02, subdivision 19, by adding a subdivision; 160.80; 161.14, subdivision 18, by adding subdivisions; 161.32, subdivisions 1, 1b, 4; 161.53; 164.06, subdivision 2; 165.01; 165.03; 168.011, subdivision 22; 168.013, subdivision 1e; 168.10, subdivisions 1a, 1b, 1c, 1d, 1g, 1h, 1i; 168.12, subdivisions 1, 2, 2a, 2b, 2c, 2d, 2e; 168.1255, by adding a subdivision; 168A.01, by adding a subdivision; 168A.05, subdivisions 3, 5; 168A.10, subdivision 1; 168A.101; 168A.151, subdivision 1; 168A.153; 168B.04, subdivision 2; 168D.06; 168D.07; 169.01, subdivisions 4c, 19, 20, 78, by adding subdivisions; 169.041, subdivisions 1, 2; 169.06, subdivision 5; 169.14, subdivision 2; 169.34; 169.471; 169.781; 169.782, subdivision 1; 169.783, subdivision 1; 169.81, subdivisions 2, 3c; 169.823, subdivision 1; 169.824, subdivision 2; 169.8261; 169.829, subdivision 2; 169.86, subdivision 5, by adding a subdivision; 169.862; 169.864, subdivisions 1, 2; 171.01, by adding a subdivision; 171.02, subdivision 1; 171.14; 174.01, subdivision 2; 174.02, subdivision 1a; 174.03, subdivision 1, by adding subdivisions; 174.30, subdivisions 4, 9; 218.041, subdivision 6; 221.031, subdivision 6; 221.0314, subdivision 9, by adding a subdivision; 221.033, subdivision 2d; 221.037, subdivision 1; 221.091, subdivision 2; 221.141, subdivision 1; 221.231; 221.60, subdivision 1, by adding a subdivision; 222.50, subdivision 7; 222.63, subdivision 4, by adding a subdivision; 299A.705, subdivision 1; 299F.60, subdivision 1; 299J.16, subdivision 1; 325F.665, by adding a subdivision; 473.1466; 473.166; 473.386, subdivisions 1, 2, 2a, 3; 473.399; 473.3993, subdivisions 1, 3, by adding a subdivision; 473.3994; 473.3997; 473.4051; 473.407, subdivision 1; 473.408, by adding subdivisions; 609.531, subdivision 1; Minnesota Statutes 2007 Supplement, section 168.12, subdivision 5; Laws 2005, First Special Session chapter 1, article 4, section 39; Laws 2008, chapter 152, article 6, section 7; proposing coding for new law in Minnesota Statutes, chapters 160; 161; 169; 174; 219; 473; repealing Minnesota Statutes 2006, sections 168A.05, subdivision 5a; 221.60, subdivisions 2, 3, 3a, 4, 5, 6; 221.601; 221.602; 325E.0951, subdivision 3a; 473.1465; 473.3994, subdivision 13.

The bill was read for the third time, as amended by the Senate, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 115 yeas and 17 nays as follows:

Those who voted in the affirmative were:

Abeler	Brynaert	Dettmer	Fritz	Heidgerken	Jaros
Anderson, S.	Bunn	Dill	Gardner	Hilstrom	Johnson
Anzelc	Carlson	Dittrich	Garofalo	Hilty	Juhnke
Atkins	Clark	Dominguez	Gottwalt	Holberg	Kahn
Benson	Cornish	Doty	Greiling	Hornstein	Kalin
Berns	Davnie	Eastlund	Hamilton	Hortman	Knuth
Bigham	Dean	Eken	Hansen	Hosch	Koenen
Bly	DeLaForest	Erhardt	Hausman	Howes	Laine
Brown	Demmer	Faust	Haws	Huntley	Lenczewski

Lesch	McNamara	Otremba	Ruud	Solberg	Welti
Lieder	Moe	Ozment	Sailer	Swails	Westrom
Lillie	Morgan	Paulsen	Scalze	Thao	Winkler
Loeffler	Morrow	Paymar	Seifert	Thissen	Wollschlager
Madore	Mullery	Pelowski	Sertich	Tillberry	Zellers
Magnus	Murphy, E.	Peterson, A.	Severson	Tschumper	Spk. Kelliher
Mahoney	Murphy, M.	Peterson, N.	Simon	Urdahl	
Mariani	Nelson	Peterson, S.	Simpson	Wagenius	
Marquart	Nornes	Poppe	Slawik	Walker	
Masin	Norton	Rukavina	Slocum	Ward	
McFarlane	Olin	Ruth	Smith	Wardlow	

Those who voted in the negative were:

Anderson, B.	Buesgens	Erickson	Hackbarth	Lanning	Peppin
Beard	Drazkowski	Finstad	Hoppe	Liebling	Shimanski
Brod	Emmer	Gunther	Kohls	Olson	

The bill was repassed, as amended by the Senate, and its title agreed to.

Madam Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendments the concurrence of the House is respectfully requested:

H. F. No. 3376, A bill for an act relating to human services; amending the MFIP work participation program; changing child care assistance provisions; changing the child care assistance sliding fee scale; establishing a child care advisory task force; requiring a mandated report; making technical changes; amending Minnesota Statutes 2006, sections 119B.011, subdivision 17; 119B.03, subdivisions 1, 6; 119B.09, subdivisions 1, 9; 119B.125, by adding a subdivision; 119B.21, subdivision 10; 256E.30, subdivision 1; 256E.35, subdivision 7; 256J.24, subdivision 5; 256J.39, by adding a subdivision; 256J.425, subdivision 1; 256J.521, subdivision 4; 256J.54, subdivisions 2, 5; 256J.545; Minnesota Statutes 2007 Supplement, sections 119B.12; 119B.125, subdivision 2; 119B.13, subdivisions 1, 7; 119B.21, subdivision 5; 119B.231, subdivision 5; 245C.08, subdivision 2; 256E.35, subdivision 2; 256J.20, subdivision 3; 256J.49, subdivision 13; 256J.626, subdivisions 3, 7; 256J.95, subdivision 3; repealing Minnesota Statutes 2006, section 256K.25.

COLLEEN J. PACHECO, Second Assistant Secretary of the Senate

Walker moved that the House refuse to concur in the Senate amendments to H. F. No. 3376, that the Speaker appoint a Conference Committee of 3 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

Madam Speaker:

I hereby announce that the Senate refuses to concur in the House amendments to the following Senate File:

S. F. No. 3363, A bill for an act relating to state government; improving access to budget information by members of the legislature; specifying the development of budget recommendations and requiring state agencies to provide information; establishing a subcommittee of the Legislative Commission on Planning and Fiscal Policy;

requiring disclosure of status of fiscal note requests; providing for appeal of fiscal note conclusions; modifying state budget requirements; incorporating Minnesota Milestones goals and indicators in budget preparation; requiring commissioner of finance to adjust for projected inflation in forecasting state expenditures; requiring a forecast of cash flow for the general fund; providing deadline for modifying budget after February forecast; specifying format for detailed budget estimates of expenditures; imposing deadline for notice of deficiency requests; providing a process to increase the budget reserve; requiring state agencies with certain information and telecommunications technology projects to register with the Office of Enterprise Technology and requiring the office to monitor progress on the projects; requiring the Office of Enterprise Technology to report to the legislature regarding its approval process for state agency technology requests and assistance provided to state agencies in developing agency information systems plans; providing additional whistleblower protection to state employees; providing additional duties for the Sesquicentennial Commission; establishing a working group; eliminating obsolete requirements; amending Minnesota Statutes 2006, sections 3.885, subdivisions 4, 5, by adding subdivisions; 3.98, subdivision 4, by adding a subdivision; 3.987, subdivision 1, as amended; 13.605, subdivision 1; 16A.10, subdivisions 1, 1c, 2, by adding a subdivision; 16A.103, subdivisions 1a, 1b; 16A.11, subdivisions 1, 3, by adding a subdivision; 16E.01, subdivision 3; 16E.03, subdivision 1; 16E.04, subdivision 2; Minnesota Statutes 2007 Supplement, sections 16A.152, subdivision 2; 181.932, subdivision 1; Laws 2005, First Special Session chapter 1, article 4, section 121, subdivision 4, as amended; proposing coding for new law in Minnesota Statutes, chapter 16A; repealing Minnesota Statutes 2006, section 16A.152, subdivision 1b.

The Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee:

Senators Cohen; Rest; Olson, M.; Doll and Betzold.

Said Senate File is herewith transmitted to the House with the request that the House appoint a like committee.

COLLEEN J. PACHECO, Second Assistant Secretary of the Senate

Solberg moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 5 members of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two houses on S. F. No. 3363. The motion prevailed.

Madam Speaker:

I hereby announce the passage by the Senate of the following Senate Files, herewith transmitted:

S. F. Nos. 3594, 3122, 3056 and 3140.

COLLEEN J. PACHECO, Second Assistant Secretary of the Senate

### **FIRST READING OF SENATE BILLS**

S. F. No. 3594, A bill for an act relating to commerce; regulating real estate transactions; defining terms; amending Minnesota Statutes 2006, sections 60A.06, subdivision 1; 68A.04; 82.49.

The bill was read for the first time.

Atkins moved that S. F. No. 3594 and H. F. No. 3888, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 3122, A bill for an act relating to health; providing for a limited general dentist license for certain practitioners; providing for a study of alternative approaches to offering dental coverage to enrollees of public programs; amending Minnesota Statutes 2006, section 150A.06, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Finance.

S. F. No. 3056, A bill for an act relating to natural resources; modifying permanent school fund provisions; providing for disposition of proceeds from sale of administrative sites; modifying certain requirements for environmental learning centers; appropriating money; amending Minnesota Statutes 2006, sections 16A.06, by adding a subdivision; 84.027, by adding a subdivision; 84.0857; 84.0875; 94.16, subdivision 3; 127A.30.

The bill was read for the first time.

Hansen moved that S. F. No. 3056 and H. F. No. 3625, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 3140, A bill for an act relating to boiler operations; making changes to licensing procedures; authorizing rulemaking; amending Minnesota Statutes 2006, sections 183.411, subdivision 3; 183.545, subdivision 4; Minnesota Statutes 2007 Supplement, sections 183.501; 183.51.

The bill was read for the first time.

Gunther moved that S. F. No. 3140 and H. F. No. 3224, now on the Calendar for the Day, be referred to the Chief Clerk for comparison. The motion prevailed.

#### ANNOUNCEMENTS BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 3376:

Walker, Slawik and Nornes.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 3363:

Solberg, Simon, Loeffler, Winkler and Tingelstad.

#### MOTIONS AND RESOLUTIONS

Severson moved that the name of Paulsen be added as an author on H. F. No. 29. The motion prevailed.

Johnson moved that the name of Masin be added as an author on H. F. No. 2959. The motion prevailed.

Pelowski moved that the name of McFarlane be added as an author on H. F. No. 3172. The motion prevailed.

Solberg moved that the name of Bunn be added as an author on H. F. No. 3587. The motion prevailed.

Hilty moved that the name of Kalin be added as an author on H. F. No. 3699. The motion prevailed.

Eken moved that the name of Morrow be added as an author on H. F. No. 3796. The motion prevailed.

Loeffler moved that the name of Bunn be added as an author on H. F. No. 3891. The motion prevailed.

Hornstein moved that the name of Scalze be added as an author on H. F. No. 3978. The motion prevailed.

Hansen moved that the names of Lesch and Simon be added as authors on H. F. No. 4227. The motion prevailed.

Paulsen moved that the name of McFarlane be added as an author on H. F. No. 4229. The motion prevailed.

Liebling moved that H. F. No. 3380, now on the General Register, be re-referred to the Committee on Ways and Means. The motion prevailed.

Eken moved that S. F. No. 1312 be recalled from the Committee on Governmental Operations, Reform, Technology and Elections and be re-referred to the Committee on Rules and Legislative Administration. The motion prevailed.

#### REPORTS FROM THE COMMITTEE ON RULES AND LEGISLATIVE ADMINISTRATION

Sertich for the Committee on Rules and Legislative Administration offered the following resolution and moved its adoption:

#### RESOLUTION ON PARKING

*Be It Resolved*, by the House of Representatives of the State of Minnesota, that it retains the use of the Speaker's parking place in front of the capitol building just east of the porte-cochère and parking lots B, C, D, N, O and the state office building parking ramp for members and employees of the House of Representatives during the time between adjournment sine die in 2008 and the convening of the House of Representatives in 2009. The Sergeant at Arms is directed to manage the use of the lots and ramp while the House of Representatives is adjourned. The Controller of the House may continue to deduct from the check of any legislator or legislative employee a sum adequate to cover the exercise of the parking privilege.

The motion prevailed and the resolution was adopted.

Sertich for the Committee on Rules and Legislative Administration offered the following resolution and moved its adoption:

#### RESOLUTION ON FACILITIES

*Be It Resolved*, by the House of Representatives of the State of Minnesota, that during the time between adjournment sine die in 2008 and the convening of the House of Representatives in 2009, the Chief Clerk and Chief Sergeant at Arms under the direction of the Speaker shall maintain House facilities in the Capitol Complex. The House chamber, retiring room, hearing and conference rooms, and offices shall be set up and made ready for

legislative use and reserved for the House and its committees. Those rooms may be reserved for use by others that are not in conflict with use by the House. The House Chamber, retiring room, and hearing rooms may be used by YMCA Youth in Government, Girls' State, Young Leaders Organization, and 4-H Leadership Conference.

The motion prevailed and the resolution was adopted.

Sertich for the Committee on Rules and Legislative Administration offered the following resolution and moved its adoption:

#### JOURNAL RESOLUTION

*Be It Resolved*, by the House of Representatives of the State of Minnesota, that the Chief Clerk is directed to correct and approve the Journal of the House for the last day of the 85th Regular Session.

*Be It Further Resolved*, that the Chief Clerk is authorized to include in the Journal for the last day of the 85th Regular Session any proceedings, including subsequent proceedings and any legislative interim committees or commissions created or appointments made to them by legislative action or by law.

The motion prevailed and the resolution was adopted.

#### ADJOURNMENT

Sertich moved that when the House adjourns today it adjourn until 11:00 a.m., Wednesday, May 7, 2008. The motion prevailed.

Sertich moved that the House adjourn. The motion prevailed, and Speaker pro tempore Juhnke declared the House stands adjourned until 11:00 a.m., Wednesday, May 7, 2008.

ALBIN A. MATHIOWETZ, Chief Clerk, House of Representatives